GOVERNMENT OF INDIA

TRADE MISSION

TO

THE NEAR EAST

AND

AFRICA

REPORT

00108599

CALCUTTA: GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1923

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Map showing Route of the Government of India Trade Mission.

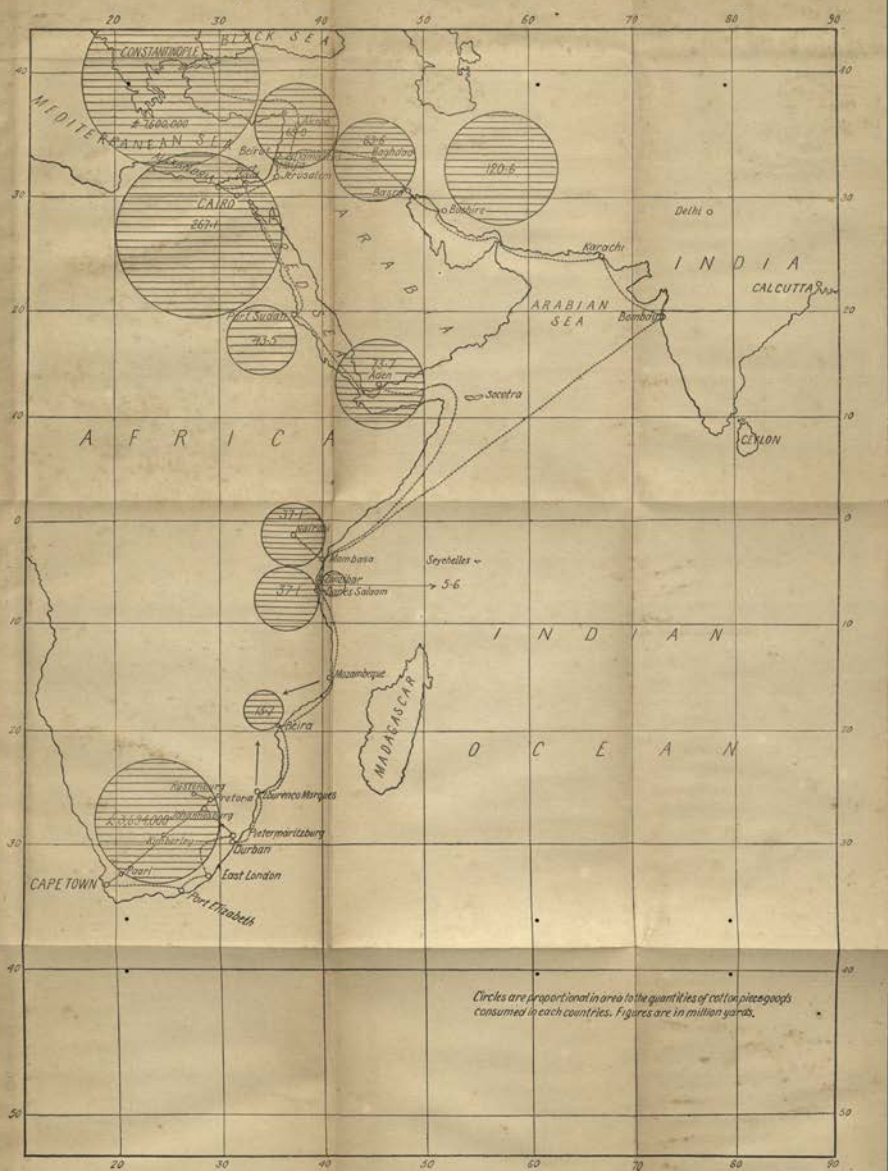
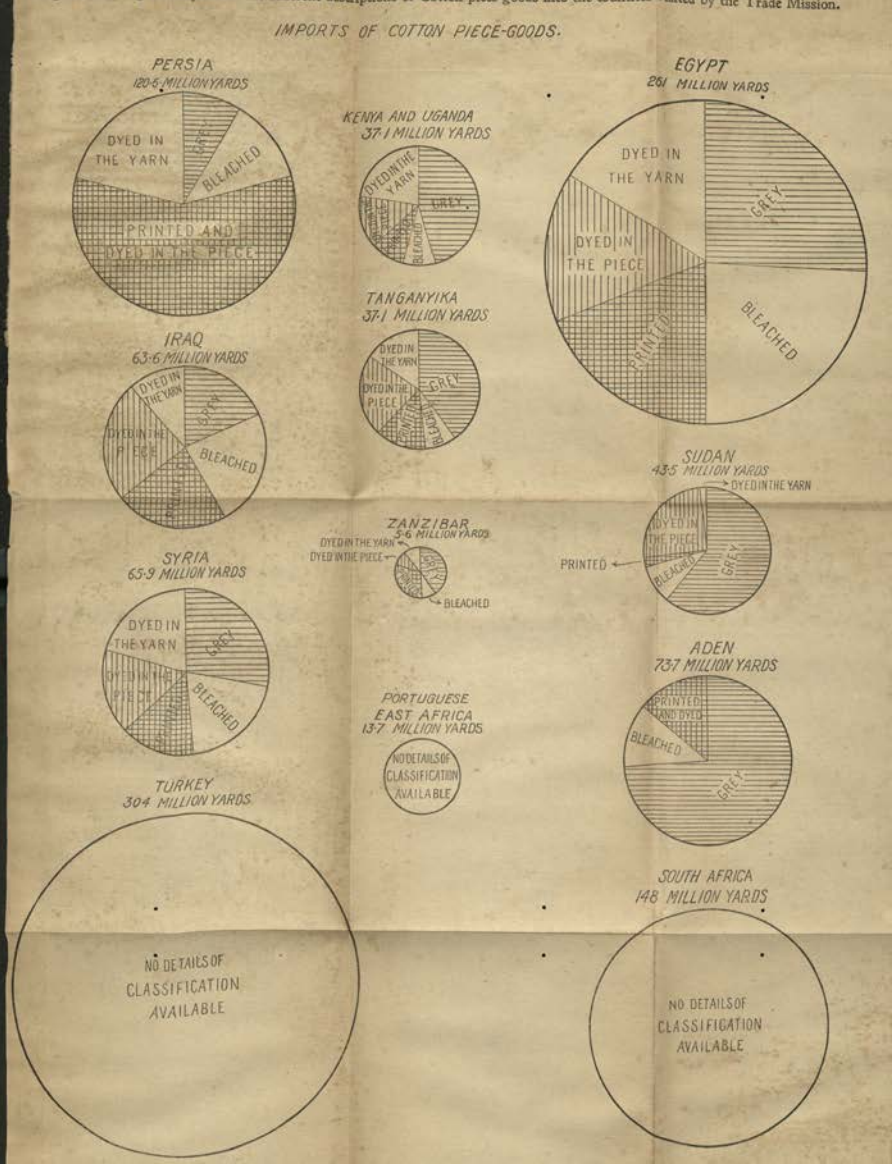


Diagram showing the Imports of the different descriptions of Cotton piece-goods into the countries visited by the Trade Mission.



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INTRODUCTION.

In their Resolution No. 1509-C, dated 14th January, 1928, the Government of India in the Department of Commerce decided, in accordance with the recommendation in paragraph 101 of the Report of the Indian Tariff Board (Cotton Textile Industry Enquiry), to send a Trade Mission to certain countries in the Near East and in Africa to make a survey of their potentialities as markets for Indian cotton goods and to make recommendations for the encouragement of the export of cotton manufactures from India, including the appointment of Indian Trade Commissioners, where desirable, and we, the undersigned, appointed for the above purpose, have the honour to submit the following Report.

We assembled in Bombay on 27th January and proceeded to Bushire in Persia, Basra and Baghdad in 'Iraq and Damascus in Syria. At this point we were held up, on account of heavy snow-falls, in the mountains between Damascus and the Mediterranean and to save time we split forces, thus being able to examine the markets at Aleppo and Constantinople and those at Beyrout and Cairo before re-assembling again at Alexandria. From Alexandria we proceeded to Port Said, Port Sudan in the Anglo-Egyptian Sudan and Aden. At Aden we were not permitted to go ashore as there was an outbreak of plague in the town at the time of our visit. From Aden we continued our tour down the east coast of Africa visiting Mombasa and Nairobi in Kenya, Zanzibar, Dar-es-Salaam in Tanganyika, Mozambique, Beira and Lourenço Marques in Portuguese East Africa, finally arriving at Durban in the Union of South Africa. In the Union of South Africa, arrangements were very kindly made by the Union Government for us to visit Durban, Petermaritzburg, Johannesburg, Pretoria, Rustenburg, Kimberley, Cape Town, Paarl, Port Elizabeth, East London, arriving back in Durban whence we returned to India calling again on the return journey at Lourenço Marques, Beira, Dar-es-Salaam, Zanzibar and Mombasa. While in Kenya, one of the Mission had an opportunity of visiting Uganda to look into some important points regarding the purchase of Uganda cotton by India. We arrived back in Bombay on July 7th, having been absent from India for five months and ten days, and having covered a distance of approximately 18,000 miles.

By our terms of reference we were asked to express an opinion on the question of the desirability of the appointment by the Government of India of Trade Commissioners in the various countries visited and this involved a consideration of the potentialities of the general trade between those countries and India. As we were aware, the export trade from India of cotton goods is, in many cases, the most important item in India's trade and further as the cotton goods export trade was also definitely indicated as the subject for our special examination, we, therefore, concentrated most of our time and attention on obtaining facts and figures relating to this trade. In the Report of the Indian Tariff Board (Cotton Textile Industry Enquiry) the survey which

we undertook was to be a rapid one and considering the area to be covered and the number of countries to be visited in such a short space of time we realised that the survey would require to be very rapid indeed. We have, therefore, only examined the general trade position briefly in so far as it bears generally on the question of the appointment of Government of India Trade Commissioners stationed in the area covered.

In the short time at our disposal it would have been quite impossible for us to obtain such information as we have been successful in collecting but for the invaluable assistance of all the Governments and Government officials in the countries visited, the hearty co-operation of all local chambers of commerce and business associations and the courteous help and hospitality of all civic communities. Wherever we went we were overwhelmed by the sincerity of the welcome we received and by the deep interest taken in our work and it gives us the greatest pleasure to take this opportunity of expressing our most sincere thanks to all those who assisted us so generously in our rapid and intensive enquiry.

In particular, we wish to place on record our gratitude to all those Governments who kindly provided us with comfortable and expeditious travelling facilities, to all the chambers of commerce who so generously gave us the use of their board rooms, to the merchants who provided us with such a complete range of samples free of charge and to the Local, British and Indian Communities who overwhelmed us with their most cordial hospitality.

Finally, our grateful acknowledgments are due to Mr. A. N. Bose for the untiring and efficient manner in which he carried out the work of our office, arranging and keeping careful trace of large masses of papers and publications collected during our tour in spite of all difficulties attending such rapid travelling.

TRADE MISSION TO THE NEAR EAST AND AFRICA REPORT

CHAPTER I.

PERSIA.

I. Commercial Summary.

Area.—628,000 square miles.

Population.—About 14,000,000.

Language.—The language of the country is Persian, but in the south French is mostly used in the import and export trade. At the ports on the Persian Gulf some of the Persian merchants speak English and a few British firms have their own offices with English or English-speaking managers. At the Gulf Ports a certain amount of Arabic is also spoken. In the north the close proximity of Russia has led to Russian being adopted as a second language in many cases.

Weights and Measures—

Unit of weight—

16 *miskals*	=1 *sir.*
40 *sirs*	=1 *batman* or *man tabrizi*
	=6 lbs. 9 oz. or 2·970 kilogs.
2 *batmans*	=1 *shahman.*
100 ,,	=1 *kharwar*
	=approx. 650 lbs.

N.B.—The batman varies in different parts of Persia. In Kerman it is equal to 6·87 lbs. while in Shiraj it is equivalent to 6·36 lbs. approximately.

Unit of length—

1 *gaz*	=1 metre.

N.B.—The metric system is generally known and used in trade.

Monetary Unit—

5 *cents*	=1 *shahi*
100 ,,	=1 *kran*
10 *krans*	=1 *toman.*

Exchange Rate.—The rate of exchange in January, 1928, was round about 50 krans per £1 sterling.

Currency.—The currency is universally on a silver basis. Indian and English currencies are also used to a limited extent around the Persian Gulf.

II. Economic and Financial Position.

Persia is a large country with a population in the neighbourhood of 14 millions, but at present it is undeveloped, owing to the absence of the necessary capital for such development. The geographical character of the country also makes development difficult and expensive. It is broken up by long ranges of high mountains rendering the establishment of communications a heavy and expensive task. There are no railways and all transport is by roads which are few and, in most cases, bad.

Budget.—Since the arrival of the American financial advisers to the Persian Government a change has taken place in the public finances of Persia, the revenue exceeding the expenditure with a tendency on the part of the latter to decrease and of the former to grow.

Public Debt.—The outstanding Government loans are not particularly large and the interest and amortization charges on all funded debts have so far been met, but security for further loans is difficult to find and without the expenditure of capital to develop the country it will be difficult to increase the revenue to any great extent. Most of the obvious sources of revenue are already ear-marked as security for existing loans and advances.

Banking.—The Imperial Bank of Persia functions as a State Bank. It has the right of issuing currency notes and the currency is nominally based on silver. The bank notes circulate well in the towns, but outside the towns the tendency is to demand silver coinage and difficulties have been experienced in keeping the coins up to weight, the practice of boring and sweating silver coins being common throughout the country. Owing to the difficulties of transport, internal variations in the value of currency as from place to place are not infrequent. The Imperial Bank of Persia has branches at Bushire, Shiraz, Ispahan, Ahwaz, Bunder Abbas, Hamadan, Kermanshaw, Teheran and Kerman. The Imperial Ottoman Bank has branches at Teheran, Hamadan and Kermanshaw and correspondents in other parts of the country, and recently the Soviet Government has opened a banking establishment at Teheran with branches at Tabriz and Hamadan.

Balance of Trade.—The total annual trade of Persia is in the neighbourhood of 38 million pounds sterling and in recent years the value of the exports has exceeded that of the imports by five or six million pounds sterling. The following table gives the figures for total imports and exports and the excess of the exports over the imports for the past five years :—

(In thousands of Krans.)

——	1922-23	1923-24	1924-25	1925-26	1926-27
Total Imports	619,208	694,252	771,445	881,025	787,397
Total Exports	733,982	768,392	1,000,163	1,059,390	1,104,115
Excess of Exports over Imports .	114,744	74,140	228,718	178,365	316,718
TOTAL TRADE .	1,353,190	1,462,644	1,771,608	1,940,415	1,891,512

III. Foreign Trade.

Imports.—The following table indicates the value of the principal articles imported in the years 1923-24 to 1926-27.

Principal Imports.

Article	1923-24		1924-25		1925-26		1926-27	
	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total
Cotton piecegoods . .	203,092	30	223,835	29	257,230	29	219,055	28
Cotton yarn . . .	18,234	3	22,123	3	22,133	2	24,579	3
Sugar	131,735	19	131,736	17	138,109	16	123,997	16
Tea	60,172	9	64,302	8	69,748	8	65,337	8
Coal and Charcoal . .	4,820	1	2,652	..	1,948	..	1,274	..
Woollen Piecegoods . .	11,355	2	14,009	2	14,080	2	21,145	3
Mixed wool and cotton piecegoods	5,434	1	7,719	1	6,647	1	7,146	1
Mineral Oils . . .	19,848	3	21,446	3	18,732	2	24,065	3

The total values of the imports for these years of cotton piecegoods, sugar and tea together account for about 60 per cent of the total import trade. The remaining 40 per cent embraces a large number of items, the imports of which are individually small. As is to be expected in the case of such an undeveloped country, the export trade is even simpler. The products of the country are few and the items in the following table cover almost 90 per cent of the total exports :—

Principal Exports.

Article	1923-24		1924-25		1925-26		1926-27	
	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total	Krans (000)	Per cent of Total
Mineral Oils . .	383,051	50	514,906	51	544,800	51	654,383	59
Carpets . . .	104,756	14	101,881	10	117,581	11	122,564	11
Opium . . .	60,219	8	79,588	8	70,430	7	96,117	9
Raw Cotton . .	49,399	6	52,957	5	61,960	6	56,493	5
Fruits	38,948	5	68,781	7	79,294	7	32,020	3
Raw Wool . . .	13,233	2	23,156	2	21,798	2	23,360	2
Rice . . .	39,132	5	12,906	1	43,230	4	20,527	2

Up-to-date Persian statistics were not available when we visited the country, but an approximate idea of India's share in Persia's total import and export trade can be obtained from the Indian trade statistics. The values given in the Indian statistics are of course the declared values at Indian ports of

exports or imports respectively and they will be higher than the Persian figures in the case of exports from Persia and lower for the imports into Persia from India.

Indo-Persian Trade.

(Value in thousands of Rupees.)

—	1922-23	1923-24	1924-25	1925-26	1926-27
Imports into India from Persia .	1,75,30	1,75,81	2,23,25	2,14,92	1,98,14
Exports of Indian Merchandise to Persia	2,23,17	2,06,77	2,59,68	2,35,65	2,49,58
Exports of Foreign Merchandise to Persia	1,31,36	1,10,94	1,03,56	87,86	64,23
Total Export trade to Persia from India	3,54,53	3,17,71	3,63,24	3,23,51	3,13,81

Export Trade from Persia to India.—The principal articles of export from Persia to India are (1) mineral oils, (2) dried fruits, (3) raw cotton, (4) raw wool, (5) gums and resins, (6) carpets, (7) hides and skins, (8) perfumery and (9) asafœtida. On the value figures of the year 1926-27 these items cover 96·5 per cent of Persia's export trade to India, as will be seen from the following table, where the simple character of this trade is clearly demonstrated.

Articles	Value in thousands of rupees	Per cent
Mineral Oils	1,31,63	67
Dried Fruits	23,11	11
Raw Cotton	11,60	6
Raw Wool	9,05	4·5
Gums and Resins	7,81	4
Carpets	2,82	1·4
Hides and Skins	2,44	1·2
Perfumery	1,66	0·7
Asafœtida	1,56	0·7
TOTAL PERCENTAGE .	..	96·5

Mineral Oils.—On the average of the three years ending 31st March, 1926, Persia has exported over 72 million gallons of fuel oil annually to India at an average value of 143 lakhs of rupees. During the period under consideration this trade from Persia has decreased from 77 million to 66 million gallons and the falling off has been met in India by increased imports from Borneo. The

industry is highly organised and the concerns interested in it are fully aware of the causes producing variations in the volume of the trade. India's total consumption of fuel oil averages about 91½ million gallons annually for the three years ending 1926-27 and Persia's share is easily the largest and most important.

Dried Fruits.—Under this heading the most important items are almonds, currants and raisins, and dates. The imports of almonds into India are large, the three most important countries of origin being Italy, Persia and France. In the last few years the supplies from Italy and France have increased at the expense of those from Persia and with the stabilization of exchange conditions in Europe it will be difficult for Persia to recover the ground lost, unless a very definite effort is made and the question of price receives more serious consideration. Annual figures give the declared values for the year 1926-27 as follows :—

Italy, R20,11,697 and R704 per ton;
France, R8,74,568 and R896 per ton;
Persia, R8,62,078 and R1,014 per ton.

While Italy reduced her prices in 1926-27, Persia increased hers still further and the result has been, as we found when we visited Bushire, that the export trade in almonds has diminished very seriously. The quantities sent to India from Persia in the years 1924-25 to 1926-27 were 1,294, 1,155 and 850 tons respectively and to these must be added the transit figures through 'Iraq for India, *viz.*, 122, 42 and 130 tons, giving totals of 1,416, 1,197 and 980 tons for those three years, which indicates that the decrease is definite and continuous.

Currants and Raisins.—In these articles Persia holds practically the whole of the import trade of India. Of the 721, 732 and 1,174 tons imported during the years 1924-25 to 1926-27 Persia sent 620, 647 and 1,022 tons respectively. The supplies from other countries are insignificant and even some of these are from Persia through 'Iraq. That the question of supply is one of price is obvious from the fact that Persia's prices are about 30 to 40 per cent lower than those of other supplying countries and so long as this price relationship holds this trade will remain with Persia.

Dates.—The supply of dates from Persia to India is relatively constant in the vicinity of over 4,000 tons per annum. The chief competing countries for the trade in dates with India are 'Iraq and the Muscat Territory and Trucial Oman. The dates from the latter are of a higher quality, while those from 'Iraq command a greater market as a result of their lower prices. 'Iraq has many advantages over Persia in the production of dates and the most important of these advantages are the concentration of date gardens near Basra, the organisation of the industry and the facilities for shipment offered at the port of Basra. It does not appear probable that the date trade from Persia is capable of any great increase in face of the competition from 'Iraq.

Raw Cotton.—Every year Persia sends a relatively small quantity of cotton to India. The figures for the three years ending 1926-27 are 1,484, 1,132 and 1,136 tons valued at R18,97,000, R14,35,000 and R11,60,000. The cotton is white and clean and, although not of high quality, it has been found

suitable by the Russians for the manufacture of grey Mexicans, being used by them in both weft and warp. A larger quantity would probably be taken by India but for the fact that the transport charges within Persia kill the possibility of extended trade from the northern areas. Further, the re-entry of Russia into Persia's trade affords a nearer market with lighter freight charges. The cotton exported from Bushire comes generally from Ispahan or from Shiraz and is packed in bales which weigh respectively 176 lbs. and 121 lbs., according to the place of origin.

Raw Wool.—The trade in wool from Persia to India is one which shows a decided tendency to increase in volume, having risen from 600,000 lbs. to over 2½ million lbs. in the five years ending 1926-27. The wool is imported from the Persian Gulf into Bombay and is consumed in India. It is a low-grade wool and provided the price continues low to correspond with the quality, the export trade from Persia to India can be expanded.

Gums and Resins.—The gum exported by Persia to India is mainly *Gum Tragacanth* for use in the mills and Persia has a large share in the import trade of India in this article. She will only be able to hold the trade provided a competitive price is retained. When we visited Bushire in February 1928 the trade was languishing, probably as a result of the high prices demanded in 1927. Persia is placed advantageously in relation to the consumer in Bombay and with a little care this is a trade which Persia should be able to maintain and even develop.

Carpets.—The export trade to India in Persian carpets is one for which much development can hardly be expected. There will always be a small and fairly steady demand for Persian carpets among certain classes in India, but in view of the large manufacture of carpets in India and the considerable Indian export trade therein no hope can be entertained of anything but a small trade between Persia and India in this article.

Hides and Skins.—Similar remarks may be made as to the possibility of any large or increasing trade in hides and skins from Persia to India.

Perfumery.—In perfumery, however, there is an opportunity for extension. At present the total imports into India are small, being valued at about 4 lakhs of rupees per annum. Of this Persia has about 34 per cent of the trade and her share has shown a tendency to increase. The trade is a luxury one and can never be expected to attain a large volume, but with stimulus it could be increased at the expense, perhaps, of the trade of countries less favourably situated in relation to India. Moreover, it is one in which the high transport charges necessary in Persia do not weigh so largely.

Asafœtida.—The import trade of India in this article is small and has decreased in value from over 5 lakhs to 1½ lakhs of rupees in the last five years. Such as it is, however, the trade is practically a Persian monopoly, but it is by no means a necessity to India and the quantity imported is governed largely by the price demanded.

The export trade from Persia is naturally simple in character and apart from those articles mentioned it is impossible to find any others which are exported at present in anything but small quantities or which hold out any hope of trade expansion from Persia to India.

Import Trade of Persia

Import Trade into Persia from India.—The import trade from India into Persia naturally divides itself into two classes: (1) the import of goods of Indian origin and (2) the imports through India of goods produced in countries other than India. In the first class the main items are cotton piecegoods, cotton twist and yarn, tea, rice, flour, jute manufactures, dyeing materials and spices, while in the second category cotton manufactures, sugar and hardware are the principal items. As a result of the relative geographical positions of the two countries and the existence of regular steamship services between Bombay and the Persian Gulf, Bombay has naturally developed as a principal market in which Persia can purchase her requirements easily. The connection between the two countries was further strengthened by the establishment in India of branches of Persian firms. With the inauguration of other regular steamship services from other parts of the world to the Persian Gulf there is a tendency towards the diminution of Bombay's importance as a supplying centre for Persia. This is clearly brought out by the figures of the five years ending 1926-27, giving the exports to Persia from India of merchandise not produced in India. The annual values of these exports are 131, 111, 104, 88 and 64 lakhs of rupees respectively. Thus in five years the value of this trade has diminished to half of what it was and the fall in value is not covered by the fall in prices which has taken place. The articles which are mainly responsible for this decrease are those in which the volume of trade is largest, *viz.*, cotton piecegoods and sugar where the quantity figures have fallen from 7,700,000 yards and 7,500 tons to 5,000,000 yards and 2,090 tons respectively. The sugar for Persia, taken from Bombay, was Java sugar re-exported and the cotton piecegoods in which the greatest fall has taken place were coloured, printed or dyed. The only loss to India in the falling off in this trade is the commission and profits attendant on the sale and re-export.

So far as the export trade in Indian produce to Persia is concerned this has remained fairly constant in value during the last five years with perhaps a slight tendency to increase. The annual values of this trade, for the five years ending 1926-27, are 223, 207, 260, 236 and 250 lakhs of rupees, and allowing for the fall in prices, this means that a definite increase in the volume of the trade has taken place.

Cotton Piecegoods.—(This is dealt with at page 14.)

Tea.—Almost 98 per cent of all the tea imported into Persia, both by land and sea, comes from India and Ceylon, the remaining 2 per cent being practically all from China. The quantity conveyed by sea from India has doubled within the last five years; the merchants in Bushire have their connections in Calcutta where their purchases are made and the only information asked for by them was regarding additional names of suppliers in Calcutta. About 20 per cent of the tea imported into Persia is sent through to Russia by the northern route, *via* the Caspian Sea. The Persians, who can afford the luxury, drink tea in considerable quantity and as far as our experience went, it was also tea of a good quality. Persia and, through Persia, the southern and eastern portions of Russia, are markets for tea which are worthy of close attention.

Rice.—Next in importance from India's export point of view comes rice, and the difficulties of transport within Persia are brought out clearly by the

movements of this article. While Persia exports large quantities of rice from the northern districts to Russia, she also imports rice from Burma and the ratio of the sale price to Russia to the purchase price from Burma is roughly 2 : 3. This proves clearly that the rice exported to Russia is not the Burma rice imported at the Persian Gulf. In fact it is cheaper to import rice from Burma than to bring it from northern Persia by road transport. This bears out the information which we gathered on the spot at Bushire. The quantity of rice imported from Burma varies from year to year with the crops obtained in Persia and for the last five years it has ranged between 7,000 and 12,000 tons valued at from 15 to 25 lakhs of rupees.

Wheat and Wheat-flour.—The quantity of wheat and wheat-flour imported from India naturally depends each year on the crops in Persia. Indian trade with Persia under this head tends to increase and India has a very large proportion of the import trade in that country. As would be anticipated, the other supplying countries are Russia and 'Iraq and the share of each country in the trade varies from year to year with the success of the crops in those countries. In 1925-26 Persia took wheat and wheat-flour valued at R32 lakhs from India, whereas in 1923-24 the value did not reach R4 lakhs. One of the main points requiring attention in this trade is the packing. It has to be remembered that at Bushire ships anchor 4 or 7 miles from the shore, depending on whether the inner or outer anchorage is used, and that the risk of damage by sea water is considerable. Further, when the cargo is landed, its transport inland is generally on pack donkeys or mules and the weight of the sack has to be limited accordingly (see general weights carried by donkeys and mules, page 13).

Other articles.—The trade in other articles of Indian merchandise is relatively small, seldom reaching one lakh of rupees in annual value. A few may be mentioned with the annual value of the trade in 1926-27 indicated in brackets : candles (114), turmeric (215), furniture (99), ginger (87), pepper (246), jute manufactures (222), teakwood (85). The figures are in thousands of rupees.

Customs Tariff.—Both the Anglo-Persian commercial relation and the Persian Customs Tariff have undergone a change since the Mission visited the country. A new Commercial Treaty was signed at Teheran on the 10th May, 1928, on behalf of Great Britain and Northern Ireland and all other parts of the British Empire which are not members of the League of Nations, and of India. The Treaty, which has been concluded for a period of eight years, provides for the abrogation of all provisions of the existing treaties which limit in any way the right of Persia to settle her Customs tariff autonomously. It provides that, on condition of perfect reciprocity, British and Indian goods imported into Persia shall not be subject to higher duties than are the goods of any other foreign country. In a protocol attached to the Treaty the Persian Government reserve the right to raise the minimum tariff in the event of the duties on the chief Persian articles, other than oil, imported into Great Britain or India being increased.

On the 3rd May, 1928, the Persian Legislature approved a new Persian Customs Tariff with two scales of import duty, the "Minimum" and the "Maximum" tariffs. It contains many important changes in the rates most of which are increases. Under the new treaty the "Minimum" tariff is

applicable to British and Indian goods. Commercial samples of no intrinsic value, including cloth samples not exceeding 30 cm. in length over the whole breadth of the cloth, are admitted free into the country. The following rates of import duty under the "Minimum" tariff are of interest from the point of view of trade between India and Persia :—

Wood—	
Unworked	5 per cent *ad valorem.*
Worked	8 „ „
Coal, coke	Free.
Candles	1 Kran per batman.
Cement	3 Krans per 100 batmans.
Coffee—	
Not roasted	4 Krans per batman.
Roasted, ground or unground	5 „ „ „
Rice, hulled or unhulled	0·30 Kran per batman.
Wheat	0·25 „ „ „
Edible flours	0·20 „ „ „
Sugar—	
In crystals or powder, including moist sugar	1·55 Krans per batman.
Cube or loaf sugar and sugarcandy	1·55 „ „ „
Tea—	
White tea	10 „ „ „
All other tea	6 „ „ „
Spices—	
Pepper, curry, pimento and mustard	1·50 „ „ „
All other kinds	15 per cent *ad valorem.*
Yarns—	
Threads prepared for retail sale	8 „ „
Otherwise prepared—	
A. of cotton	1 Kran per batman.
B. of wool	1 „ „ „
C. of hemp and jute	0·60 „ „ „
D. of flax (linen)	1 „ „ „
E. of pure silk—	
Natural	15 Krans per batman.
Artificial	15 „ „ „
F. of floss silk	8 „ „ „
G. of cotton and floss silk mixture	3 „ „ „
H. of cotton and asbestos mixture	1 Kran „ „
I. of other kinds	10 per cent *ad valorem.*
Tissues of pure cotton—	
A. Tissues simple twill—	
1. Unbleached, drill, known as "medkol"	2·40 Krans per batman.
2. Bleached	2·40 „ „ „
3. Dyed or printed	2·40 „ „ „
4. Woven with dyed yarns	3·00 „ „ „
B. Piques, dimitis, damasks and figured, including tissues of mercerised cotton	4·00 „ „ „
C. Tulles, gauzes, muslins and voiles of cotton, not embroidered or broche	10·00 „ „ „
D. Velvets and plushes—	
1. Stamped	8·00 „ „ „
2 All others	6·00 „ „ „
E. Machine-made guipures for furnishing, even festooned	10·00 „ „ „

Tissues of pure wool, etc.—	
A. Tissues of all kinds not specially mentioned . .	12 per cent *ad valorem*.
B. Velvets and plushes	30 Krans per batman.
C. Oriental shawls	20 per cent *ad valorem*.
Tissues of pure artificial silk, all kinds, not specially mentioned	15 „ „
Tissues of cotton mixed with artificial silk, all kinds, not specially mentioned	13 „ „
Tissues of hemp, jute, etc.—	
A. Tissues of all kinds not specially mentioned . .	1 Kran per batman.
B. Ordinary unbleached cloth for packing, including sacks and packing cloth, made of a mixture of linen, hemp and jute	0·40 „ „ „

NOTE.—Tissues containing more than 90 per cent of artificial silk are classed as tissues of pure artificial silk. Those containing less than 10 per cent are dutiable as cotton tissues *plus* a surtax of 50 per cent.

General.—Bushire is the largest Persian port in the south. When we visited the town in February, 1928, the piecegoods import trade was in a state of depression owing to the fact that large stocks were being held in Persia and to Russia selling at cheaper rates in central and northern Persia than either India or Manchester. The imports at Bushire are really, in greater part, for consumption inland, the estimate of the local consumption being only 7 per cent of the total imports. In fact, the importers at Bushire are for the most part commission agents for buyers upcountry. The merchants there only do business on their own account when it comes to export and their main line in the export trade is opium. In Bushire the idea is fairly general among importers that imports from Bombay are merely re-exports of foreign merchandise from India. This was so even in the case of piecegoods. Ships calling at Bushire use either the inner anchorage which is $3\frac{1}{2}$ miles off shore or the outer anchorage at a distance of 7 miles from the shore. The B. I. S. N. Co. run two mail services (the slow and fast) from Bombay up the Persian Gulf and the slow mail discharges from the inner anchorage while the fast mail and most of the ships of other lines, *viz.*, the Strict, Bucknell, Ellerman and Hansa, calling at Bushire discharge at the outer anchorage. The anchorages are not protected in any way and naturally the system of discharging cargoes into native craft, which are almost always heavily overloaded, increases the risk of water damage very considerably. The native craft frequently take over six hours to cover the 7 miles to the shore and in some cases the lighters remain all night at the outer anchorage. Even if the goods are fortunate in arriving in a dry condition on the shore, the storage arrangements there, prior to delivery, to the importer are far from perfect and if the weather is bad, the risk of damage still continues. In order to avoid claims for damage it is essential that goods for Bushire should be extremely well packed and, of course, this will mean a higher allowance for packing.

Landing charges.—As the distances from the points of discharge to the shore are considerable a list of landing charges is important. The following table gives the revised tariff of such charges from the inner anchorage; from the outer anchorage the rates are double those given here.

Landing Charges

Revised tariff of landing charges from inner anchorage.

(Rates from outer anchorage are double.)

	Krans
Bales, Piecegoods, of 200 pieces	1/37½
„ „ „ 150 „	1/37½
„ „ „ 25 „	1/37½
„ White shirting and Mexicans of 100 pieces	1/37½
Bales of piecegoods weighing 40 batmans	-/75
„ 30 „ 30 „	-/75
„ 1/20 „ 20 „	-/43¾
Canvas in bales	1/37½
Empty gunnies in bales	1/37½
Paper in bales—	
Large	-/75
Small	-/43¾
Attari and Tamarind in mats	-/31¼
Wheat, Flour, Barley, etc.	-/31¼
Sugar, Rice, Dhall, Potatoes, Attari, etc., which are in bags weighing—	
Up to 2 cwts.	-/31¼
Over 2 cwts.	-/31¼
Indigo in cases—	
Large	-/75
Small	-/43¾
Indigo in bags	-/31¼
Loaf sugar in cases	-/28½
Tea in cases	-/31¼
Tea in Jottas	-/50
Lemons in Mats, etc.	1/37½
Window glasses	-/25
Tin plates	-/28½
China and Glassware	-/75
Sundries and Merchandise in cases, large	-/75
Sundries and Provisions, Tinned fruits, small	-/43¾
Wines, Spirits—	
Per case of 12 bottles	3/75
Per case of 24/48 bottles	3/75
Candles	-/10
Brass sheets—	
In large cases	1/37½
In small cases	-/75
Copper and brass sheets (large and small) per sheet	-/20
Lead per bar	-/28½
Silver per bar	-/28½
Coir rope per bundle of 20 batmans	-/43¾
Cow skin, per bundle of 20 pieces	1/37½
Goat skin, per bundle of 20 pieces	-/75
Camel skin, per piece	-/43¾
Charcoal, double bags	-/42½
Charcoal, single bag	-/28½
Iron nails in bundles	-/28½
Alum in casks	-/75
Goods in kegs or casks—	
No. 1 size	-/25
No. 2 „	-/25
No. 3 „	-/25
Iron—	
1 cwt.	-/28½
½ cwt.	-/20
Camphor in cases—	
Large	-/75
Small	-/43¾

	Krans.
Matches in cases—	
Large	1/37½
Small	-/75
Planks—	
3″	-/31¼
2″ to 2½″	-/31¼
1″	-/22½
Petroleum or kerosene oil—	
In tins	-/22½
In drums	-/31¼
Soap—	
In cases	-/31¼
Jottas	-/43¾
Preserved Ginger in cases of—	
60 tins	-/31¼
120 „	-/31¼
Galvanized iron or tin per sheet	-/20
Henna in bundles	-/75
Henna in bags	-/75
Mats in bundles	-/75
Slabs, tin	-/28½
Coffee in bags	-/31¼
Loaf sugar in bags of—	
14 loaves	-/28½
16/28/36 loaves	-/28½
30 loaves	-/28½
32/40 loaves	-/28½
Raw wool in bags	1/37½
Telegraph—	
Poles, per piece	-/31¼
Foot plates	-/28½
Cases (large and small)	-/43¾
Coils of wire per bundle	-/43¾
Quinine in cases—	
Large	-/43¾
Small	-/31¼
Buckets in bundles, 32/40 batman	-/75
Old coverings	-/75
Nonga Iron, large and small	-/31¼
Bags, Lime	-/31¼
Nos. Mats	-/25
Cases of Wine	3/75
Casks of Wine	7/50

Hamal Bashi Tariff.—In addition to the charges for lighterage from ships to shore there are also the charges for unloading from boats or lighters to the quay, from quay to Customs godowns and from godowns to merchant's offices. Below are given such landing contractor's charges, but locally we were informed that such charges are often exceeded, *e.g.*, when the nominal charges for a bale is 65 cents, as much as 90 cents is often asked and paid. It is obvious from the nature of the schedule that the amount charged will depend to some extent on the weight of the package and in the case of heavier packages special charges are only natural.

Communications.—As has already been indicated, the ports on the Persian Gulf are served by the B. I. S. N. Co.'s ships, the fast mail from Bombay calling at Bushire, Mohammerah and Basra, while the slow mail touches at such places on the Gulf as Charbar, Muscat, Bunder Abbas, Hendjam, Lingah, Bahrein, Bushire, Koweit, Mohammerah and Basra. The Hansa steamship

line, the Ellerman Bucknall's steamship line, and some others also send ships to the Persian Gulf, but their sailings and the places at which calls are made are governed by the freight in demand.

Within Persia the only mode of travel and transport is by road. Goods are carried along these roads by motor car, motor lorry, donkey, mule, camel or carts drawn by mules. Many of the roads are really only such in name and there are few of them which are not rendered entirely impassable during the winter months either by snow or rain. The road tolls and transport charges are very heavy and the latter are further subject to such wide variations according to the transport available at the time that it is advisable for any exporter to Persia to limit his liability to delivery to a merchant at the port, leaving the quotations for further transport to the local importer. As between motor transport and caravans the latter is much cheaper and much more general, although motor transport is increasing in favour on account of the time saved in transit.

When goods are intended for some inland destination involving transport by pack animals, they should be packed to withstand the most severe treatment and the outside covering should be of waterproof material. The packages should weigh either 75 to 90 lbs., 100 to 120 lbs. or 170 to 200 lbs. as two such packages form a load for one donkey, mule or camel respectively.

Freight Rates from Bushire to Bombay.—The freight rates at the beginning of this year (1928) from Bushire to Bombay by the ships of the B. I. S. N. Co. for the principal articles exported from Bushire were as follows :—

Bundles of goat and sheep skins	Rs. 30 per ton of 40 cubic feet.
„ cotton	Rs. 15 „ „ „
„ wool	Rs. 15 „ „ „
Cases of Gum Tragacanth	Rs. 30 „ „ „
„ Almonds	Rs. 30 „ „ „
Bags of Gum Tragacanth	Rs. 2 per bag.
„ Almond kernels	
„ Almonds	
„ Raisins	
„ Currants	

CHAPTER II.

PERSIA.

The Cotton, Piecegoods and Yarn Trade.

The latest official Customs Administration Report at the time of the Mission's visit to Bushire was that relating to the financial year ending 21st March 1925. Unfortunately for the purposes of this report no record is maintained by the Customs authorities as to the yardage of goods imported. Quantities are given in batmans (1 batman = 6·87 lbs.) and values in krans. The value of the kran has been fairly steady during the last three years and in January 1928 it was worth about 5*d*. (50 krans = £1).

Total Importations of Cotton Piecegoods into Persia from chief exporting countries.

Country of origin.	Year ending 21st March 1925.		Year ending 21st March 1924.	
	Weight in Batmans.	Value in Krans.	Weight in Batmans.	Value in Krans.
Belgium	21,155	10,992,234	10,975	655,236
United Kingdom	2,488,639	119,090,012	2,279,027	111,357,909
India	2,003,625	83,345,943	1,884,618	76,817,608
Italy	110,394	6,209,489	53,141	3,376,719
Russia	112,614	6,984,353	94,495	6,156,373
Turkey	100,885	5,553,567	66,544	4,142,795
Total, all countries .	4,871,430	223,834,770	4,394,476	203,091,994

Note.—This table does not include the importations of mixed goods of cotton and artificial silk.

The above figures show that in 1924-25 Great Britain and India between them supplied well over 90 per cent of Persia's requirements of cotton piecegoods. The share attributed to India was 42 per cent of the total trade, but it should be remembered that some of the imports from India are re-exported goods of English and Japanese manufacture, and India's real share of the trade was probably well under 40 per cent of the total.

The only other countries sending cotton piecegoods in any considerable quantities to Persia in 1924-25 were Russia, Italy, Turkey and Belgium. The Turkish share is actually less than the Persian Customs returns show, as

the figures given really represent the quantities and values of goods of European origin supplied from Constantinople *viâ* the Black Sea to ports on the Southern Caspian Sea coast. Most of them would be of Italian or Belgian origin.

Though the figures of Italian and Russian exports of piecegoods were comparatively small in 1924-25, they have greatly increased since that time. Russia has developed a very considerable trade in cotton prints, manufactured in the Baku district, to England's loss, and she has also built up a very fair trade in grey Mexicans at the expense of India's trade, while Italy has made progress chiefly in dyed goods, cotton trouserings and dress materials.

Imports of artificial silk and cotton piecegoods into Persia.

Countries.	Year ending 21st March 1925.		Year ending 21st March 1924.	
	Weight in Batmans.	Value in Krans.	Weight in Batmans.	Value in Krans.
(a) Containing more than 10 per cent of Artificial Silk.				
British Empire (excluding India)	15,753	1,892,328	8,204	975,929
Belgium	4,289	481,923	578	76,403
Italy	7,381	929,978	2,433	374,290
Turkey	1,553	179,325	423	71,600
India	428	34,298	481	61,945
Total, all countries	30,779	3,730,110	13,250	1,743,334
(b) Containing less than 10 per cent of Artificial Silk.				
British Empire (excluding India)	24,226	2,032,321	27,708	2,187,843
Belgium	9,932	760,866	858	69,440
Italy	22,250	1,802,109	9,817	895,394
Turkey	12,283	906,930	2,439	193,150
India	413	33,240	1,479	92,565
Total, all Countries	69,525	5,568,526	42,700	3,477,692

The above table shows that in 1924-25 there was a growing trade in cotton and artificial silk mixed goods. The trade has developed rapidly since then. In 1924-25 the trade, which amounted to roughly 2,000 bales of 300 lbs. each, was shared between England, Italy, Belgium and Turkey. The share attributed to Turkey must have consisted chiefly of goods of Italian and Belgian origin. During the last two years Italy has increased her sendings of artificial silk goods, and India's share has also grown very considerably. Czechoslovakia is also in the Persian market now for this class of goods.

The Persian Customs statistics are only sufficiently detailed to give a very general idea of the types of goods imported. All cotton piecegoods are divided into five broad classifications, *viz.*, Grey, Bleached, Printed or Dyed, Woven Coloured, Unspecified descriptions. In 1924-25 the importations under each of these five heads were :—

	Batmans.
Grey Piecegoods	420,000
Bleached Piecegoods	596,000
Printed or Dyed	2,777,000
Woven Coloured	1,031,000
Unspecified descriptions	47,000

The figures show at a glance the preponderance of coloured goods in the Persian trade as nearly 80 per cent of the total piecegoods imported was either printed, dyed or woven coloured.

In Greys between 70 per cent and 80 per cent of the total imports were from India, but India's share includes re-exported Japanese goods. The Indian export statistics show that of the grey goods sent to Persia from India only about 66 per cent were of Indian manufacture. The rest must have been practically all Japanese, and Japan's share of the grey trade has increased rather than decreased in the last few years. In woven coloured goods India in 1924-25 had approximately 85 per cent of the trade, chiefly in low quality check susis and cotton trouserings. Italy improved her position in the last year. Over 90 per cent of the imports of bleached goods were from England. India's real share in this class was practically *nil*. In dyed and printed goods England monopolised the trade in 1924-25, but has since lost ground to Italy and Russia in dyed and printed goods respectively.

The menace of Russian competition is particularly severe in North Persia where the geographical position of Russia gives her a definite advantage, but it was surprising to find that Russian Prints and grey Mexicans had begun to enter South and South-Western Persia also in considerable quantities. Piecegoods were being sold at considerably less than the cost of production and another notable fact, the accuracy of which was vouched for by several merchants, was that both in regard to piecegoods and other produce prices were lower as the distance from the North Persian coast line increased.

The Cotton Yarn Trade.—There is a very considerable market for yarn in Persia for use in the carpet trade and the hand-loom industry. The Customs figures give no indication as to the counts, but they are chiefly coarse singles under 20s, imported from India and Japan, and folded yarns from England

and Japan. The chief counts of Japanese yarns imported, according to our observations, were 2/42s bleached and 20s grey singles. The shares held by England, Japan and India and the total trade in yarn in 1923-24 and 1924-25 are given below. The rapid development of Japan's trade is very noticeable.

Imports of Cotton Yarns into Persia.

Country of Origin.	Year ending 21st March 1925.		Year ending 21st March 1924.	
	Weight in Batmans.	Value in Krans.	Weight in Batmans.	Value in Krans.
United Kingdom	313,668	9,239,987	223,028	6,425,002
India	345,531	8,749,669	403,674	9,679,130
Japan	140,578	4,086,115	67,930	1,911,145
Total, all countries	801,822	22,123,118	699,827	18,234,656

Routes by which Cotton Textile Goods are imported into Persia.—Nearly 40 per cent of the cotton goods imported into Persia enter the country *viâ* 'Iraq. Ocean-going steamers carry these goods as far as Basra. They are then taken by rail or by river steamers to Baghdad, and the great bulk of them enter Persia *viâ* Kermanshah—from whence they are distributed to Tabriz, Teheran, Ispahan and Hamadan. Next in importance to the trade *viâ* 'Iraq, as far as cotton goods are concerned, is that through Bushire. Bushire owes its importance to the fact that it is the starting point on the Gulf for a very ancient and important caravan route to Shiraz and the north of Persia. Next in importance to Bushire, as far as textile imports are concerned, in 1924-25 are Duzdap, Bunder Abbas and Mohammerah in that order. The trade in textiles *viâ* Enzeli and Resht has increased considerably during the last two years.

Cotton Goods trade of Bushire.—As the second largest importing centre for piecegoods the following figures supplied by H. B. M. Vice-Consul showing the imports of cotton yarn and piecegoods at Bushire will be of interest :—

Country of Origin.	Year ending 21st March 1924.		Year ending 21st March 1925.		Year ending 21st March 1926.	
	Quantity in tons.	Value in £	Quantity in tons.	Value in £	Quantity in tons.	Value in £
Cotton Yarns.						
India	164·1	31,579	111·0	20,380	157	26,912
United Kingdom	29·5	5,788	4·6	1,165	..	..
Japan	8·5	1,290	4·4	650	..	..
Holland	..	..	·4	230	..	..
Other Countries	·5	183	..	..	..	..
Total	202·6	38,840	120·4	22,425	157	26,912

Country of Origin.	Year ending 21st March 1924.		Year ending 21st March 1925.		Year ending 21st March 1926.	
	Quantity in tons.	Value in £	Quantity in tons.	Value in £	Quantity in tons.	Value in £
Cotton Piecegoods.						
United Kingdom	1,072·3	477,077	1,921·6	461,774	1,534·0	681,599
India	977·1	340,138	1,051·7	378,178	718·6	419,903
Italy	4·2	2,386	17·3	10,600	31·1	15,998
Belgium	4·9	2,001	7·2	4,658	5·1	2,695
Japan	6·0	1,302	3·6	1,587	20·8	7,773
Germany	..	..	..	..	2·3	968
France	..	..	..	..	·5	129
Other Countries	·4	518	·6	313	1·0	517
Total	2,064·9	818,422	2,102·0	857,110	2,313·4	1,129,382

One of the disadvantages of sending goods *viâ* Bushire and, for that matter, all other Persian ports on the Gulf, is that there is considerable danger of damage by sea water during the process of landing. The British India Steam Navigation Co.'s fast mails, the Strick, the Bucknell, the Ellerman and the Hansa line boats all discharge cargo for Bushire into somewhat primitive lighters at the outer anchorage which is seven miles from the shore, and, owing to sudden squalls, there is considerable risk of sea-water damage during the process. The slow B. I. S. N. Mail boats discharge cargo into lighters at the inner anchorage which is only 3½ miles from the shore and the danger is not so great.

Types of piecegoods in demand in Bushire.—Though the total importations of piecegoods through the port of Bushire are considerable, Bushire itself is not an important consuming centre nor can the classes of piecegoods found in its bazaars be guaranteed as typical of the demand for Southern and Western Persia as a whole. To obtain a correct idea of the Persian trade in piecegoods it would have been necessary to visit Ispahan, Shiraz and Hamadan where the large importers of piecegoods are located. This was not possible in the time at our disposal.

Grey goods.—Grey Shirtings and Sheetings are imported from India to a considerable extent for consumption in Southern and Western Persia. They are usually of light weight and are appreciated because of their excellent dyeing qualities. They sell in a variety of widths and weights, but narrow widths (*25″ to 36″*) sell most freely. The demand for Indian grey shirtings for the interior of Persia has been affected adversely during the last few years, owing to competition from Japanese 36″ grey sheetings, but not so severely as in Kuwait, Bahrein and other ports on the Arabian side of the Persian Gulf where the Japanese cloth is used in its grey state for sails and clothing purposes.

Calendered grey sheetings and shirtings are preferred in Bushire, but in other centres uncalendered goods are also demanded.

Bleached and Dyed Piecegoods

Grey Drills.—The market for grey drills in Persia is not a very large one. What market there is has been captured by Japan. The chief quality imported was Elephant brand (27/28 inches × 40 yards, weight 13½ lbs). It has completely displaced the American grey drill which was formerly imported. It is chiefly used for making sails by the Arab fishermen.

Bleached goods.—Bleached shirtings.—Plain bleached shirtings are imported in considerable quantities *viâ* the Port of Bushire, for consumption in Persia, but the Bushire district itself is not a large consumer. The samples which we saw were all of much finer texture than those usually made in Indian mills and were all highly finished. The prices of almost all the Indian bleached goods carried by the Mission were stated by merchants to compare unfavourably with those of Manchester goods. The width chiefly in demand for Ispahan and Shiraz markets is 32″.

Bleached Mulls and Tanjibs.—There is a fair market for Mulls and Tanjibs in varying widths and qualities. The chief demand is for wide goods which until recently were imported in large quantities by all consuming centres in Persia. Sales of this particular cloth have suffered during the last few years owing to the introduction of cheaper qualities, heavily filled, with headings printed on, instead of woven into the cloth.

Japanese Striped Drill.—This cloth has only been imported into Persia, *viâ* Bushire, during the last two or three years, but it is now extremely popular. It has affected the demand for English woven zephyr shirtings and printed shirtings which it is replacing because of its cheapness. So far only 7½ lb. qualities have been imported, but it is possible that lighter weights will appear in the market after a permanent demand has been established. Merchants drew the attention of the Mission to the superiority of the packing and make-up of these goods as compared with the packing and make-up of Indian half-to-half checks and coloured goods generally.

Dyed Piecegoods.—While a very large range of dyed and tinted piecegoods are imported, the biggest demand is for black dyed shirtings and sateens which are used in very large quantities for making the black chadars worn as outdoor garments by all Mohamedan women of the country. The qualities of black goods in demand vary from the lowest qualities of black dyed shirtings to the finest qualities of black Italians and sateens but the biggest sales are in low quality goods. This is natural owing to the poverty of the population.

Indian mills already have some of the trade in black dyed drills and glazed black shirtings, but Manchester holds the greater portion of the trade.

Attention might advisably be given by Indian mills to the production of a range of medium qualities of black dyed shirtings, twills and sateens in narrow widths (24″ to 34″). They should be finished and made up similarly to Manchester goods.

Tinted Fabrics.—There is a fairly large demand for tinted fabrics in light weights and narrow widths (26″ and 27″). India holds a portion of the trade in the lower qualities. Pale shades of blue, helio, yellow and pink are the most popular colours.

Red Shirtings and Drills.—There is a constant demand in Persia for red shirtings and a smaller demand for red drills. The superior qualities of red shirtings are dyed with Turkey Red and are supplied by Manchester and Glasgow. India and Manchester share the trade in alizarine red shirtings. Narrow widths only are in demand (27″—34″).

Lenos and Gauzes.—Single and double width leno fabrics are now imported in considerable quantities in a variety of shades with white and black as the chief colours in demand. Indian mills at the present time are not in a position to manufacture lenos, but both cloths could be fairly closely imitated in mock leno weaves to meet the demand from the poorer classes in Persia.

Coloured Woven goods.—Three of the biggest lines in coloured woven goods in Persia are check zephyrs, cotton trouserings and artificial silk striped trouserings and dress material. In all three classes India already has a large share of the trade, but in cotton trouserings and artificial silk striped dress materials she is beginning to feel the competition of Italy and Belgium.

Check Susis.—The demand for India's check susis is also being affected by Italian and Japanese competition. In future demand for check susis might be stimulated by the introduction of new and wider variety of designs similar to those supplied by Italy in the Levant market, and it would certainly be advisable to supply the Persian merchants in Shiraz, Ispahan, Hamadan and Teheran with sample cards of new designs at frequent intervals. A somewhat better quality of woven check goods with some back filling might also sell freely but the designs in which any such new fabric is made should be quite different from those supplied in 3 lb. susi checks.

Cotton Trouserings.—Hitherto India has only sent narrow-width low quality cotton trouserings to Persia, but there is also a very good demand for double-width cotton trouserings of a heavier and better quality than India supplies. This demand is met chiefly by Italy and Belgium. The question of India competing against Italy in this class of cloth is adequately dealt with in the notes on the Baghdad market and all that need now be said is that to gain a footing in this better class trade special attention will need be given to finish, stamping, making-up, packing and sampling. The designs must be continually changed and merchants should be kept constantly supplied with new ranges of patterns.

Printed goods.—Narrow-width printed goods of low quality, used for making the indoor chadars and other garments of the female Mohammedan of the poorer classes, are imported in very large quantities. Until a few years ago Manchester held almost all this trade but latterly has lost ground to Russia and Italy. India is not at present interested in this trade.

Business Methods.—Except in a very few instances the Persian merchant does not confine his energies to one particular class of business. Importers of piecegoods are also importers of sugar and tea and very often exporters of gum arabic, dried fruits, almonds and opium and there is thus a great tendency for them to overtrade. Very few of the Persian piecegoods importing firms have more than a superficial knowledge of piecegoods and the lack of technical knowledge prevents them from originating new lines and designs

and points the need to keep them supplied with large ranges of samples and designs from which they could choose patterns and qualities saleable in Persia. In fancy goods their choice of lines is guided to a great extent by the type of goods selling in the Baghdad market with which they keep in close touch. In bleached shirtings and black dyed goods their taste is very conservative and goods are bought largely on trade marks and trade numbers. The introduction of new lines in such goods is difficult in the first instance, and, to establish a market for new qualities initial consignments have often to be sold at rates which are unremunerative to shippers and manufacturers. When, however, a mark or number becomes known it is only dislodged from public favour with difficulty. The continued hold which Manchester retains in the Persian market is largely attributable to the fact that many of her Trade Marks and Trade Numbers have been selling in Persia for a very long time. Imitations of stamps and numbers are, however, very common for the reason that Persia hitherto has had no satisfactory law for the protection of Trade Marks. A Trade Mark Law has lately been approved by the 'Majlis' but has not yet been enforced.

Credit facilities should not be extended without the fullest investigations in any new direct business which may be started between Indian mills and Persian merchants in the future. In regard to credits we cannot do better than quote the words of the Secretary for Commercial Affairs with the British Legation at Teheran, who in his annual report in 1925 wrote :—

" The question of credit is, however, one which it is difficult to treat properly as the commercial morality of the various merchants and the stability of trade differ very greatly in different parts of the country. Firms not having local agents would do well to make enquiries in the first place through their bankers regarding the standing of prospective customers ; but in South Persia particularly it is difficult to judge the stability of native firms with any degree of assurance owing in part to the incurable habit of speculation in such products as opium, dried fruits, cotton or wool, which appears to be a characteristic of the merchant classes of Persia—a characteristic which often involves respectable and apparently solvent firms in unsuspected and unforeseen disaster. The absence of a proper commercial Court and the slowness of prevailing systems of justice for the settlement of commercial litigation also militate against any prompt settlement of claims, and fraudulent bankruptcy is unfortunately prevalent." What Mr. Hadow wrote in 1925 is still more or less true to-day, but the banks have considerably restricted the credits and financial facilities allowed to merchants during the last two or three years with very beneficial results. Apropos of the tendency of merchants to do business in all kinds of products it is worthy of note that most of the Persian merchants in Bushire whom we met during our stay were considerably more interested in the export of opium than the import of piecegoods, and very large profits were apparently being made in the opium business and this may eventually stimulate the demand for piecegoods.

Until recently the English piecegoods business with Persia had been built up and maintained by the efforts of the English importing houses who maintain offices in the ports, Baghdad and one or two important upcountry centres,

assisted by the Jewish trading community in Baghdad doing direct business with Manchester through family connections. Latterly the Persian merchants and the Jewish firms in Baghdad have largely controlled the trade and only one or two Manchester firms now maintain branch offices in Persia. Probably the most important of these, as far as piecegoods are concerned, is the firm of Messrs. Zeigler & Co. who still possess a very complete selling organisation in the country and have managed to retain a fair share in the Manchester piecegoods trade.

The business in Indian yarn and piecegoods has been built up by Persian and Jewish merchants with offices in Baghdad and the towns in the interior of Persia. They buy Bombay goods through the medium of Persian and Jewish merchants permanently located in Bombay. The trade with Kerman is a notable exception to this general rule, the piecegoods business in that centre being in the hands of the Hindu community who have been domiciled there for the last 60 years. Until recently the Japanese had made no serious inroads into the Persian market, but from the fact that a special Japanese trading delegation recently visited Baghdad with a representative range of samples it would appear that more serious efforts will be made by that country in future to capture a portion of the trade. The Japanese goods which are now selling in Persia have been bought through Persian houses in Bombay. Italy and Belgium have built up their present business in cotton goods with Persia through the medium of agents located in Baghdad and their progress has been facilitated by their readiness to give credit and to accept small trial orders for special goods which are either coming into fashion or have hitherto been the specialities of other countries, with a view to receiving larger subsequent orders when the quality and price have been found by the importer to be satisfactory. Italy has also set the fashion in regard to sampling and the methods which she has adopted in this connection are worthy of emulation.

Terms of business.—Business with India, as already explained, is done largely through Persian and Jewish merchants located in Bombay who buy their goods from the mills on cash terms, but who give 3, 4 and 5 months' credit to their customers in Persia. As financial accommodation in Persia is much more costly than in India there is little doubt that the Persian importer pays considerably more for his goods than he would, if he bought direct from mills. The Indian trade for Persia through Baghdad is done through the medium of four or five firms only, who apparently work in unison when ordering goods through their branch offices or agents in Bombay with the object of obtaining their requirements at the lowest possible prices by playing off one mill against another. In this they appear to have been uniformly successful and while their success in obtaining a larger market for Indian goods in Persia and 'Iraq has been noteworthy, it is doubtful whether the business which these firms have placed has yielded any profits to the Indian mills, as these apparently have often sold their goods below the cost of production in order to obtain the business offered by the four firms in question. That the Indian mills have been squeezed owing to their lack of a combined selling policy for the Persian market is partially demonstrated by the fact referred to on page 25 of the Report, where it is noted that the average prices of Indian piecegoods

to Persia were lower in 1927 than in 1926 inspite of the fact that the average prices for all classes of piecegoods imported were higher in 1927 than in 1926.

Another factor which has contributed to this price-lowering process is the fact that in the classes of goods which India exports most largely to Persia—namely, Susi checks, cotton trouserings and artificial silk striped goods—at least half the Bombay mills seem to produce exactly the same patterns and qualities and merchants can obtain quotations from all of these 30 or 40 mills separately. It may be a wise policy for all mills to produce the same qualities of goods in greys, but it is extremely doubtful whether such a policy pays in fancy lines in which the market is far more limited. In any event standardisation either of qualities or designs should be accompanied by a combined selling policy also, if mills are going to obtain reasonable prices for their goods from dealers who operate in a market in which the demand is as limited as it is in Baghdad.

From the point of view of dealers in Baghdad the present methods of purchase might become unsatisfactory, because the prices which they obtain for Indian goods from their Persian customers are liable to be reduced if petty merchants who have obtained similar prices in Bombay sell small lots in the same market on a smaller basis of profit. The system of purchase in the case of Japanese goods is exactly the same as for Indian goods. They are paid for in cash in Bombay, but credit is given by the Persian house in Bombay to his customers in Persia.

English firms in Persia give limited credits, which may extend to 60 days, to well-known merchants, but in other cases 25 per cent/40 per cent cash with order is insisted on. The system adopted when purchases are made from Baghdad is described when dealing with the 'Iraq trade. Italian and Belgian goods for Persia are almost invariably bought through agents of mills or combinations of mills, and up to 120 days' credit is very common. Liberal discount is given if payment is made before due date and extension of credit on easy terms is not unknown if repeat orders are placed at the same time.

Packing requirements.—Cotton piecegoods destined for Persia should be made up in bales of small bulk and highly pressed. Their weights should not exceed 180 lbs. Good strong packing is absolutely essential, if they are to arrive at their destination in reasonable condition, owing to the very severe treatment to which they are subjected in transit through Persia, where most of the transport is by donkey, camel or mule, over very bad roads. Motor transport is developing slowly, but it is still considerably more expensive than transport by donkeys, camels or mules and is only used when time of delivery is more important than the cost of conveyance. The slowness of transport can be judged from the fact that caravans only travel 20 to 25 miles per day according to the state of the roads and 6 weeks is very good time from Bushire to Teheran, and it takes anything from 25 to 40 days from Khanequin to Teheran. Motor lorries in good condition can do the latter journey in four to six days. Nearly all piecegoods for Persia are made up shirting fold and in Manchester goods an additional wrapper of grey T. Cloth is often used in addition to the gunny and waterproof paper wrappers. We received several complaints regarding the packing of Indian piecegoods at

both Bushire and Baghdad, but most of the blame for this defective packing must be laid at the door of the merchants in Bombay and not the mills.

Sampling.—The Persian merchants in general were unaware of the range and quality of the goods produced by Indian mills and many of them seemed surprised that India could produce anything except coarse qualities of greys, susi checks, striped drills and cotton trouserings. The demand for Indian goods, especially coloured goods and artificial silk, could be stimulated if the Persian merchants were kept supplied with samples of new goods and new patterns in running qualities. Here again combined action would be more efficacious and probably less expensive than individual effort. Another point in regard to sampling which is rather important is that attention should be given to the seasonal demand for the various types. For instance, the heaviest demand for trouserings is in the winter months and these goods should arrive at Bushire or Baghdad not later than the end of September. Sample ranges of new designs in trouserings should, therefore, reach the merchants in February or March, so that orders may be executed in time to reach Persia in September.

Making-up.—Except in the very cheapest lines of greys and fancies, pieces should be wrapped separately in paper, and a cutting of the contents pasted on the wrapper. The cost of this extra paper wrapper is not excessive, but it adds considerably to the saleable value of the cloth. The ultimate purchaser of the cloth, and even the importing merchant, is not an expert and is influenced as much by its appearance as its quality. The line of India's progress in the Persian piecegoods trade is in medium quality cloths ; she already supplies the great bulk of the cheaper and lower qualities, and, to assist her progress, Indian mills will need to pack and make up their goods according to the standard set by their competitors.

Quotations.—C. I. F. quotations should always be given, when possible, and prices should be per yard or per piece—*not per lb.*—in either sterling or rupees. For business through 'Iraq sterling quotations would be preferable to rupee quotations. In South Persia either sterling or rupees may be quoted.

The Transit Trade in Cotton Yarn and Textiles to Persia *viâ* Baghdad.

About 50 per cent of Persia's trade in cotton yarn and textiles is done through 'Iraq.

According to the 'Iraq Customs returns, the total value of the cotton yarn and piecegoods declared in transit to 'Iraq in 1926-27 was nearly R2 crores, the exact figure being R1,91,15,000. If the re-exports of yarn and piecegoods to Persia from 'Iraq are added, the total value in 1926-27 was well over R2 crores in value.

The transit trade in yarn was relatively small, the value being less than R1 lakh and the quantity only 70,000 kilogs. all of which was shipped from India. Between 85 per cent and 90 per cent of this 70,000 kilogs, may be taken as of Indian manufacture.

Following the main classifications given in the 'Iraq Customs Tariff figures for 1926-27, the order of importance was (1) Prints with a yardage of 21·7

millions and a value of 5·5 million rupees, (2) Dyed in the yarn with a yardage of 22·1 millions and a value of 3·7 million rupees, (3) Dyed in the piece with a yardage of 11·2 millions and a value of 4·6 million rupees, (4) Bleached with a yardage of 11 millions and a value of 3·6 million rupees, (5) Grey unbleached with a yardage of 8·6 millions and a value of 1·7 million rupees and (6) other kinds of piecegoods with a value of ·5 million rupees.

The values shown in the Customs returns are c. i. f. values and the very low average value per yard of goods dyed in the yarn is at once noticeable from the figures. In the first six months of 1927-28 the total value of the Persian transit trade in cotton goods through 'Iraq was 9·2 million rupees or not quite half of the total for the previous twelve months and made up as under :—

Yarn	R11,000.
Prints	R2·4 million, yardage 10·4 millions.
Dyed in the Yarn	R1·3 million, yardage 7·4 millions.
Dyed in the Piece	R3·4 million, yardage 8·6 millions.
Bleached	R1·2 million, yardage 4·0 millions.
Grey	R·6 million, yardage 3·2 millions.
Other kinds	R·2 million.

Taken over all classes, values per yard were slightly higher than during the previous twelve months, but in India's two main lines of exports to Persia the average value per yard had fallen about 5 per cent. In grey unbleached the average prices of India's sendings fell from 3·0 to 2·6 annas per yard, and in dyed in the yarn from 2·6 to 2·4 annas per yard. Inspite of this fall in price per yard India's sendings, for the half year, of greys were only 36 per cent and of dyed in the yarn only 30 per cent of what they had been in the previous twelve months. The types of goods selling in each classification are dealt with in the detailed notes on the Baghdad Market, Chapter IV, pages 51-55.

CHAPTER III.

'IRAQ.

I. Commercial Summary.

i. **Area.**—143,250 square miles.

ii. **Population.**—3,000,000 (approximately).

iii. **Language.**—Arabic. English and French are also used considerably, English in Basra and French in Baghdad.

iv. **Weights.**—British and Metric systems.

v. **Monetary Unit.**—Rupee, annas and pies.

The currency of India is used throughout 'Iraq.

vi. **Summary of Foreign Trade.**

Total imports for 1925-26—1,777 lakhs of rupees.
Total imports for 1926-27—1,632 ,, ,, ,,
Total imports for 1927-28—1,667 ,, ,, ,,
Total exports including re-exports for 1925-26—1,209 lakhs of rupees.
Total exports including re-exports for 1926-27—1,033 ,, ,, ,,
Total exports including re-exports for 1927-28—1,199 ,, ,, ,,

vii. **Trade balance in lakhs of Rupees.**

Year.	Value of Imports. A	Value of Exports. B	Exports of Specie in excess of Imports. C	Balance of Trade. A—B—C.
1923-24	1,815	1,357	158	300
1924-25	1,912	1,420	169	323
1925-26	1,777	1,209	239	329
1926-27	1,632	1,033	82	517
1927-28	1,667	1,199	54	414

II. Economic and Financial Position.

'Iraq is a relatively large country with a small population of approximately three millions only. It has only recently obtained national government and thereby been enabled to take into consideration schemes for development. The administrative charges for such developments are excessively high and the revenues are taxed to the utmost to meet the expenditure. The country is fertile, capable of producing crops in much greater quantities than at present; but any such increase in production depends on the development of irrigation throughout large areas and this again involves large expenditure of foreign capital which will only be forthcoming with the gradual growth of a sense of security and stability, externally and internally.

Budget.—For the year 1925 the revenue was approximately R581 lakhs and the expenditure R513 lakhs, resulting in a surplus for that year of R68 lakhs. The actual financial position of the country on 31st March 1926 was an accumulated surplus of approximately R145 lakhs. The revenue is derived principally under the following heads :

Customs (222), Land and Natural Produce Taxation (183), Property tax (26), Excise on liquor, salt, tobacco, opium, etc. (31), Posts and Telegraphs (30), Court fees and fines, Tapu and miscellaneous (68). The main headings of expenditure are Ministry of Defence (142), Communications and Works (73), Finance (45), Customs and Excise (23), Ministry of Interior (40), 'Iraq Police (77), Education (23). The figures in brackets are in lakhs of rupees for the year 1925-26.

Public Debt.—During 1926 a Commission assembled in Paris to allocate the liabilities for the Ottoman Public Debt. As a result of their labours the capital share of 'Iraq was determined at £ T. 8,388,126, including the advances and the arrear contribution due for payment in 20 yearly instalments.

Banking.—The principal banks are (1) The Imperial Bank of Persia with branches in both Basra and Baghdad, (2) The Eastern Bank with branches in Basra, Amara and Baghdad and (3) the Ottoman Bank with branches in Baghdad and Basra. The Imperial Bank of Persia are the Government bankers. The currency notes of the Government of India and silver rupees are used throughout. There is a body of opinion in 'Iraq in favour of the introduction of a national currency for the country but, as far as we could discover, the commercial community do not favour such a proposal.

III. Foreign Trade.

Imports.—For the year 1926-27 (*i.e.* from 1st April to 31st March) the total value of the imports into 'Iraq (excluding transit trade) was R1,060 lakhs as against R1,070 lakhs in the previous year.

The table below gives the values in lakhs of rupees of the imports of the principal commodities entering into that trade :—

Article.	1926-27	1925-26
1. Cotton Piecegoods	221	230
2. Sugar	134	133
3. Tea	57	52
4. Silk Piecegoods	42	26
5. Wood and Timber	25	34
6. Grain, Pulse and Flour	22	141
7. Metals and Ores	22	15
8. Vehicles	21	17
9. Liquors and Wines	21	21
10. Apparel (wearing)	18	19
11. Woollen Piecegoods	18	12
12. Paper	16	17

The direction of the import trade is shown below for the same articles :—

In lakhs of rupees.

	Imported from					
	United Kingdom.	India.	Syria.	Persia.	Turkey.	Other Countries.
1. Cotton Piecegoods . .	128	71	7	1	..	14
2. Sugar	11	13	..	1	..	109
3. Tea . . .	1	53	..	..	..	3
4. Silk Piecegoods. . .	4	4	12	..	..	22
5. Wood and Timber . .	..	4	1	..	2	18
6. Grain, Pulse and Flour .	..	18	1	1	1	1
7. Metals and Ores . .	10	3	..	1	..	8
8. Vehicles	4	..	4	1	..	12
9. Liquors and Wines . .	9	1	..	..	..	11
10. Apparel (wearing) . .	10	2	1	..	..	5
11. Woollen Piecegoods . .	7	..	1	..	..	10
12 Paper	2	..	..	..	..	14

The next table shows the percentage of imports from various countries as regards value to the total value of imports :—

	Value. (In lakhs of rupees).		Percentage.	
	1926-27	1925-26	1926-27	1925-26
United Kingdom	326	282	30·77	26·33
India	257	364	24·26	33·99
Persia	112	102	10·57	9·52
Holland	72	48	6·80	4·48
Syria and Turkey	56	43	5·28	4·01
Germany . . .	37	36	3·49	3·36
Italy	35	31	3·30	2·90
Belgium	35	31	3·30	2·90
France	31	20	2·93	1·87
Egypt	9	23	0·85	2·15
Austria	7	4	0·66	0·37
All other countries . . .	82½	87	7·79	8·12

The interesting fact which is brought out by this table is that, with some minor exceptions towards the end of the table, all countries except India have increased their participation in the import trade of 'Iraq. While the individual percentage increases have not been large, they would appear to have been made almost entirely at the expense of India's share in the trade to 'Iraq and both the actual and the percentage diminution in India's share are considerable, amounting to R107 lakhs or 9·73 per cent of the total import trade of 'Iraq. Taken in relation to India's import trade with the country, the magnitude of the fall is even more striking, being 29·4 per cent of that trade in 1925-26.

Exports.—For the year 1926-27 the value of the exports and re-exports (not including transit trade) was R461 lakhs as against R503 lakhs for 1925-26. The value of the export trade in the principal commodities is indicated in the table which follows :—

In lakhs of rupees.

Article.	1926-27	1925-26
1. Dates	167	205
2. Grain, Pulse and Flour	70	11
3. Wool (raw)	54	80
4. Hides and Skins	25	39
5. Metals and Ores	21	12
6. Cotton Piecegoods	20	22
7. Animals, living	14	12
8. Vehicles	11	5
9. Intestines (casings)	10	31
10. Sugar	7	10
11. Tanning materials	6	2
12. Apparel (wearing)	3	6

The direction of the export trade is shown in the following table :—

To	Value. (In lakhs of rupees).		Percentage.	
	1926-27	1925-26	1926-27	1925-26
United Kingdom	110	116	23·86	23·06
United States of America	95	98	20·61	19·48
India	89	83	19·31	16·50
Persia	69	88	14·97	17·50
Arabia	25	21	5·42	4·18
Syria and Turkey	18	19	3·90	3·78
France	16	24	3·47	4·77
Germany	10	6	2·17	1·19
Egypt	9	24	1·95	4·77
All other countries	20	24	4·34	4·77

As regards the export trade to India there has been a slight increase in the year 1926-27 over 1925-26.

Transit Trade.—In addition to the figures given above, *viz.*, imports for consumption in the country and exports of the produce of the country, there is also an extremely important transit trade through 'Iraq and figures are now available which give a clear indication of the direction and magnitude of this transit trade. The value of this transit trade was R572 lakhs in 1926-27 as against R706 lakhs in 1925-26 and the following tables give an

idea of the character of the trade so far as the principal commodities and the countries of origin and destination are concerned. The values are in lakhs of rupees.

Articles.	1926-27	1925-26
1. Textiles	220	315
2. Carpets	181	181
3. Tea	39	49
4. Vehicles	25	17
5. Sugar	21	34
6. Oils	12	4
7. Gums and Resins	11	9
8. Intestines	7	25
9. Hides and Skins	5	8
10. Metals and Ores	4	29
11. Matches	2	4
12. Leather	2	2

Countries of inward consignment and percentages of the transit trade therefrom have been :—.

	1926-27		1925-26	
	Value (lakhs of rupees).	Percentage.	Value (lakhs of rupees).	Percentage.
Persia	224	39·20	232	32·86
United Kingdom	160	28·00	262	37·11
India	105½	18·46	128	18·13
Belgium	19½	3·41	25	3·54
Syria and Turkey	19	3·32	13	1·84
Italy	11½	2·01	18	2·55
United States of America	10	1·75	6	0·85
Germany	8	1·40	8	1·13
France	7½	1·31	5	0·71
Holland	3	0·52	4	0·57
Egypt	½	0·09	2	0·28
All other countries	3	0·53	3	0·43

Exports from 'Iraq

Countries of destination and percentages of the transit trade thereto have been :—

	1926-27		1925-26	
	Value (lakhs of rupees).	Percentage.	Value (lakhs of rupees).	Percentage.
Persia	359½	62·90	479	67·85
United States of America	171½	30·01	180	25·50
United Kingdom	24	4·20	26	3·68
India	4	0·70	2	0·28
Syria and Turkey	4	0·70	7	0·99
France	2½	0·44	5	0·71
Egypt	2½	0·44	2	0·28
Germany	½	0·09	2	0·28
All other countries	3	0·52	3	0·43

That the transit trade through 'Iraq would be mostly to and from Persia is only to be expected from the situation of 'Iraq in relation to Persia and from a rapid examination of the natural features of the whole area and the resulting lines of communications including rivers, railways and roads. The figures given above show that the transit trade of 'Iraq is mostly Persian. In 1926-27 the consignments of transit trade from Persia to 'Iraq valued R224 lakhs, while the transit trade from 'Iraq to all other countries totalled R212 lakhs. Similarly the transit trade to Persia in the same year was R359½ lakhs, while that from all other countries amounted to R347½ lakhs.

The large fall in the transit trade of 'Iraq in 1926-27 as compared with 1925-26 is due to the recent changes in the trading conditions in Persia in relation to Russia. Russia is now taking a very much larger share in the trade to and from Persia, especially in cotton piecegoods, tea and sugar, and this greater Russian participation in Persia's trade is reflected in the volume of the transit trade through 'Iraq. As very little, if any, of the Russo-Persian trade proceeds *viâ* 'Iraq, the result has been a very definite falling off in the 'Iraq transit trade returns.

Exports from 'Iraq.—Dates form the principal article of production and export of 'Iraq and also a source of considerable public revenue. There is an export duty of 3 per cent *ad valorem* on dates and a tax per bearing tree which is paid by the grower.

It is of importance, therefore. to 'Iraq that the crop each year should be large and that extended overseas markets should be found. This was a point which was generally stressed in most of our interviews. The date forms a very important part of the diet of certain large classes in the country, but a considerable surplus is always available for export.

The date trees grow in the close neighbourhood of the rivers in gardens irrigated from the rivers and cultivation in large numbers is practically confined to the area between Basra and the Persian Gulf. Basra is the chief collecting centre of the industry and the port where the packing and loading on ships takes place.

For export dates are packed either in cases or in baskets, the cases being used for distant countries, such as the United Kingdom and the United States of America and the baskets for the relatively near area including India, Arabia and Persia. The following table shows the position as regards the date trade between 'Iraq and India.

	Value of Exports of dates from 'Iraq.	Value of India's share.	India's percentage share in Iraq's export trade.	Value of India's total imports of dates.	Iraq's percentage share in India's import trade.
	R (lakhs)	R (lakhs)	Per cent	R (lakhs)	Per cent
1925-26 . . .	205	56	26·8	97	66·4
1926-27 .	167	46	27·5	73	58·0

As is obvious from these figures, India's share in the export trade of dates from 'Iraq is already large, being 27 per cent of the total trade and 'Iraq's share in India's total imports of dates is on the average 60 per cent. The average export prices of dates from 'Iraq in 1925-26 and 1926-27 were R134 per ton and R209 per ton respectively. In India the imported dates are consumed as food by the poorer classes and a rise in price from R134 to R209 is sufficient to explain the falling off of imports into India in 1926-27. This fact was brought out and placed before those interested in increasing the export of dates to India.

Attention was also drawn to the fact that the dates exported from 'Iraq frequently arrive in India in a condition which almost prohibits their consumption. It was suggested that the increase in price which the exporter naturally wants and has tried to obtain might be more readily forthcoming if greater attention were paid to the picking and packing of the fruit. The exporters at Basra readily admitted that this was defective. When we were in 'Iraq a scheme for Government inspection of dates intended for export was under reference to the business community for opinion.

Complaints were made by many exporters against the import duty in India. This they held was too high. The system of tariff valuations was explained to them and an effort was made to remove the wrong impression from their minds that the import duty in India was in the neighbourhood of 30 per cent. It was pointed out that the tariff valuation for 1928 was R5-8 *as.* per cwt. and that on 'Iraq Customs figures the export values per cwt. at Basra for 1926-27 had been R8-7 *as.*

The only other countries from which India takes dates in any considerable quantities are (1) Muskat Territory and Trucial Oman, (2) Persia and

(3) Bahrein Islands. The following are the approximate figures in tons for the last five years of imports from those territories and from 'Iraq :—

In tons.

	1922-23	1923-24	1924-25	1925-26	1926-27
Muskat Territory . . .	9,800	8,500	7,100	7,600	6,400
Persia	6,500	5,600	3,900	4,500	4,700
Bahrein Islands	2,600	2,000	1,400	1,100	1,500
TOTAL .	18,900	16,100	12,400	13,200	12,600
'Iraq .	39,400	49,500	42,600	44,000	25,300

The total annual imports from these three other sources have remained comparatively steady and do not show any large fall in 1926-27 corresponding to the fall in 'Iraq dates. Their prices have also been much steadier, but, of course, the Muskat dates are of a better quality and meet a demand which is less affected by prices. The only conclusion is that the volume of the 'Iraq date trade with India is very sensitive to any change in prices and that the trade will again increase when the price falls to a level which the consuming class can afford to pay.

Grain.—Grain comes second in importance among 'Iraq's exports and the grain for export is mostly limited to barley. The size of the crop depends to such an extent on the weather conditions during the winter months that it sometimes happens that the exportable surplus is not large. Except when unfavourable agricultural conditions prevail in parts of India, it is not possible to look to India as a very large purchaser of grain. During the last five years the imports into India under the heading " Grain, Pulse and Flour " have varied from 7,000 tons to 54,000 tons, but this is a relatively small quantity for a country of India's magnitude. While these imports, such as these are, have come largely from 'Iraq and Australia, an examination of the figures shows that the trade has tended more and more in favour of Australia to the disadvantage of 'Iraq. The conclusion, therefore, is that, apart from years when certain harvests are bad in India, the grain trade from 'Iraq to India is not one for which any serious prospects of expansion can be entertained.

Wool.—From the point of view of importance to 'Iraq wool is the next item in her list of exports. In the two years 1925 and 1926 the values of this item were R80 and R54 lakhs respectively. The class of wool produced is not very high and some firms in 'Iraq have exported certain quantities to India at various times. While India herself is a large exporter of raw wool—the average annual value of her export trade in this item for the last five years amounts to 410 lakhs of rupees—she also imports considerable quantities of wool of grades which differ from her own. India's imports in the last five years have an average annual value of 42 lakhs of rupees and during

this period she has taken a small but increasing quantity from 'Iraq. Although, therefore, it is a trade which does not hold out great possibilities for expansion, it is not altogether negligible and with any extension in India of the manufacture of woollen goods from second grade wool it should tend to increase.

Cotton.—The cultivation of cotton in 'Iraq is a development of the last few years and it is still in its infancy, as will be seen from the following figures which give a measure of the extent of the crop :—

Year.	Bales (400 lbs.)
1925	2,540
1926	3,500
1927	1,800
1928	5,000 (estimated).

The type of cotton that has been selected by the Department of Agriculture, as a result of experiments carried out, first at Karoadah and then at Rustam near Baghdad, is an upland American descended and selected from " Weber 49 ", imported from America and known locally in 'Iraq under the name " Mesowhite ", a contraction for " Mesopotamia White ". The staple length varies according to the conditions under which it is grown, but it may be taken at $1\frac{8}{16}$ inches.

The British Cotton Growing Association has erected a ginnery at Baghdad capable of dealing with 10,000 bales per annum. There is no organised marketing of the crop and it is almost entirely bought up by the Association, ginned at Baghdad and exported *viâ* Basra to Liverpool. During the year 1926 the actual prices paid by the Association were from R450 per ton for best quality clean picked seed cotton at the opening of the season to R250 per ton at the close of the year, the fall in price continuing steadily throughout the year. The ginning percentage is given as from 24 per cent to 26 per cent.

The quality of the cotton is suitable for certain purposes in India and the prices paid are attractive ; but it has to be remembered that the total crop is extremely small so far and any great competition in 'Iraq for it would soon raise the price to a figure at which it would not be profitable to purchase. The development of the cotton growing industry is also being very carefully watched in 'Iraq and the Cotton Law of 1927 and Regulations thereunder have been drawn up for the purpose of ensuring that development will take place along proper lines.

Up to the present time no 'Iraq cotton has been exported to India, but it is an article in which considerable trade will be done with India as soon as the crop is increased and arrangements can be made for some definite system of marketing in India.

Imports into 'Iraq : Coffee.—This is a large import trade in 'Iraq. For 1925 and 1926 the values of the imports were 25 lakhs and 15 lakhs of rupees respectively. India already has the largest share in this trade sending over R13 lakhs worth in 1926, of which nearly 90 per cent was Indian produce, the other 10 per cent being re-exports from India.

Indigo.—Practically all the indigo taken by 'Iraq is produced in India, but, as will be seen from the following figures, it is a declining trade. For the five years from 1922-23 to 1926-27 the values in lakhs of rupees of the imports of indigo from India were 4·45, 2·31, 3·02, 1·14, and 1·21, respectively. There seems to be no possibility of reviving this trade.

Grain, Pulse and Flour.—The import trade in grain, pulse and flour in 'Iraq will always be a very variable one. If the crops are good in 'Iraq, it will be small; if there is a failure of crops in that country, as was the case in 1925, the imports will be large. This is clearly brought out by a comparison of the import figures for the years 1925 and 1926. The import value in 1925 of the items under this head amounted to R141 lakhs, while in 1926 the corresponding total was only R21 lakhs. India already does 80 per cent of this trade and should be able to retain this share and probably increase it.

Leather.—Under the classification "Leather—other Sorts" 'Iraq has imported about 6 lakhs of rupees worth during each of the years 1925-26 and 1926-27. Of this trade India already holds 60 per cent, but there is an increasing demand for Indian leather in 'Iraq, especially in Baghdad and it should be possible to increase India's share, if special efforts are made.

Spices.—Practically the whole of 'Iraq's import trade in spices is with India and only a very small fraction of the trade is re-export trade from India.

Sugar.—The import trade in sugar is very large, the imports for both 1925-26 and 1926-27 amounting to 133 lakhs of rupees in value. A small part of this trade is with India, but it is really only a re-export trade.

Tea.—This forms one of the largest items in 'Iraq's import trade. In the years 1925-26 and 1926-27 the total values of tea imported into 'Iraq were R52 and R57 lakhs respectively. The quantity imported from India in 1926-27 was 3,764,000 lbs., while the total amount imported was 4,387,000 lbs. Measured by quantity, therefore, India already possesses 86 per cent of the import trade of this commodity into 'Iraq. The amount of money spent on tea in 'Iraq is much greater than that on coffee and there is also a tendency to increased consumption of tea. This is a trade which India should be able to retain and also gradually expand, but it has to be remembered that the total population of the country is only 3,000,000 and that for this reason alone the latent capacity of the country as a market for tea is not very large.

Jute manufactures.—Of the imports of jute manufactures, valued in 'Iraq at 7·41 lakhs of rupees in 1926-27, those from India amounted to 7·09 lakhs of rupees and this gives 96 per cent of the trade to India. With the development of the cotton growing industry the demand for hessian for baling may be expected to increase gradually.

Wool.—The import of woollen piecegoods forms a fair trade in 'Iraq. In 1925-26 and 1926-27 it amounted to 12 lakhs and 18½ lakhs of rupees respectively, these being the values in 'Iraq. India's share in this trade at

present is negligible, but it is a field which holds out decided prospects for development. Several of the merchants in Baghdad were interested in the samples of woollen rugs from the Shapurji Broacha Woollen Mills and after the standing of these merchants had been verified from the banks, the names and addresses of the manufacturers in India were given to them. The trade with 'Iraq in woollen manufactures is one which offers possibilities to India and should be followed up.

Conclusions regarding the possibilities of increased trade between India and 'Iraq.—India is already in fairly close contact with 'Iraq so far as trade relations are concerned. This is only natural in view of their relative geographical positions and of the share which India had in the operations in 'Iraq during the war. In trade 'Iraq is practically shut off from the west in that the heavy transport charges across 500 miles of desert prohibit imports of anything but very valuable articles of small weight from that direction. This is favourable to India. For actual consumption in 'Iraq, Russian goods from the north are also handicapped by the heavy transport charges, a handicap which is reversed when the question of Indian goods for Persia through 'Iraq is considered. Inspite of India's relative geographical advantage, great developments in the trade between the two countries can hardly be expected. They are both agricultural countries and it is only in surplus crops, that are peculiar to one or the other, that any large trade may be hoped for, as is clearly shown in the case of dates from 'Iraq and of tea and coffee from India. The existence of another important factor which militates against 'Iraq becoming a large consumer of Indian produce or manufactures will become obvious when it is remembered that, although the area of the country is comparatively large, the population is relatively very small and no great market can be hoped for in a country where total population does not reach three millions. The prospects of trade with 'Iraq are improved, however, when we consider her importance as a transit area for the supply of goods to the much larger country of Persia with a population of at least 14 millions, but as was indicated above, India's advantage from geographical position thus becomes diminished. The transit trade through 'Iraq is dealt with separately. From the point of view of the trade between India and 'Iraq, in so far as 'Iraq is a producer and consumer, the main items of export and import are very few indeed. For exports from 'Iraq it is limited almost entirely to dates. Her second grade wool will also find a small sale and under certain very special conditions India will also take some of her grain. With the development of her cotton crop she will find a ready purchaser in India at the relative prices which she has so far received for the cotton already produced. If the bitumen which is found in 'Iraq proves suitable for road-making under Indian conditions and if the price is competitive, India should prove a useful outlet in the near future.

On the other side, *viz.*, the import trade, India has much more to gain in that, unlike 'Iraq, she has to some extent developed industrially. The largest item of import into 'Iraq is cotton piecegoods and the possibility of India increasing her share in this trade is dealt with in detail later. Sugar comes next in importance but is of no interest to India in that she is herself a very large importer. So far as tea is concerned, the trade is almost an Indian monopoly and has only to be maintained and extended, as the habit of tea-

drinking grows in 'Iraq. There is hope of an increase in India's share of the woollen piecegoods imports and her position with regard to timber and leather holds prospects of extension.

Transit trade of 'Iraq.—As was seen on page 31 the transit trade of 'Iraq is almost entirely trade to and from Persia. Fortunately it is now shown separately in the Customs returns issued at Baghdad. The volume of the trade was formerly estimated at from 50 per cent to 60 per cent of the total trade of 'Iraq and the figures for 1926-27 show that this estimate was probably not far out, when it is borne in mind that in 1926-27 the effect of the Russian competition for Persia's trade had made itself felt very distinctly. For 1925-26 and 1926-27, if comparisons are made in respect of values, the volume of the transit trade of 'Iraq works out at 39·2 per cent and 35 per cent respectively of the volume of the total trade (including transit) of 'Iraq. This is much lower than the estimate of five or six years ago and even in those two years for which definite figures are available the trade shows a definite decline as compared with the total trade of 'Iraq and also a distinct falling off in actual value. There are various factors tending to bring about this decrease, but there is no doubt as to the main cause, *viz.*, the active entrance of Russia into the field of trade in Persia and the success attending her efforts to capture that trade.

The main volume of the transit trade of 'Iraq is confined to relatively few articles such as, (*a*) carpets, fruits, gums and resins, hides and skins, and intestines; and (*b*) leather, machinery, matches, tin, cigarette-paper, rubber tyres, spices, sugar, tea and textiles.

Those in group (*a*) are exports mainly from Persia, while group (*b*) includes the principal articles imported by Persia through 'Iraq. Of the articles set forth in group (*a*) India can only be interested, to any great extent, in fruits. The demand in India for Persian carpets is small and holds out no great hopes of increase. India herself is an exporter of hides, skins, intestines and gums, while under the heading "fruits" the item which is of greatest interest to India is "almonds and nuts". From the 1926-27 Customs returns of 'Iraq it is seen that this Persian trade in almonds and nuts is already mostly with India. In that year 177,000 kilos of almonds and nuts were exported from Persia through 'Iraq and of this quantity India took 132,000 kilos (equivalent to 130 tons), about 75 per cent of the total. In 1926-27 India imported altogether 5,186 tons of almonds, the main countries of supply being Italy (2,860), France (975) and Persia direct (850). Adding the quantity imported from Persia through 'Iraq, *i.e.*, 130 tons, Persia becomes second in importance among the supplying countries. Her share is about the same as that of France and about one-third that of Italy. The price of almonds exported from Persia through 'Iraq is very much higher than the price of those exported direct from Bushire, due to the heavier transport charges from northern Persia to Basra, and the prospects of increasing this particular trade through 'Iraq are small.

Among the articles included in group (*b*), India would be interested in extending her supplies of leather, spices, tea and textiles. The other articles in the group are not produced in India or they are produced in quantities smaller than India's own requirements.

Leather.—In 1926-27 the value of the Persian imports, through 'Iraq, of leather was 2 lakhs of rupees. Of this trade India had only 10 per cent which also includes a small quantity of re-exports. The United Kingdom's share is also small, being just less than 10 per cent.

Various merchants in Baghdad showed considerable interest in the question of increasing India's supply of leather to 'Iraq and through 'Iraq to Persia, and, although the total trade is small, it is one in which it should not be difficult for India to participate to a greater extent than she does at the present time.

Spices.—The transit trade in spices to Persia, although not very large, is one in which India has a considerable share. Its total value in the year 1926-27 was 3½ lakhs of rupees and of this India supplied quantities to the value of R2½ lakhs. In such articles as cassia, ginger, pepper, tamarind and turmeric India holds a virtual monopoly of the trade and should make sure that this position is retained.

Tea.—The trade in tea for Persia through 'Iraq is a large one and calls for special consideration. In the years 1925-26 and 1926-27 the values at Basra were 49 and 39 lakhs of rupees. A better idea of the magnitude of the trade can be obtained by taking the quantity of tea which the value figures given above represent. In 1926-27 the total quantity of tea in transit through 'Iraq for Persia was 1,664,000 lbs. The quantity figures are not available for 1925-26, but taking relative Indian prices, in these two years, 1925-26 and 1926-27 of qualities exported to 'Iraq, we find by calculation that the quantity in transit in 1925-26 must have been about 2,028,000 lbs. These figures indicate a drop of 20 per cent in the magnitude of this trade as between the years 1925-26 and 1926-27. Again the main factor causing this diminution is the extensive Russian campaign to capture Persia's trade and the information supplied by all consulted was to the effect that Russia was sending in larger quantities of tea by the northern routes. The tendency both in 'Iraq and in Persia is towards the consumption of tea in increasing quantities and it is a matter of importance to India that this trade should not be allowed to decline. Persia is a tea-drinking country with a population of approximately 14 millions. Her total imports of Indian tea amounted to 7,699,000 lbs. in 1926-27 which would appear to indicate a field with definite potentialities for expansion.

Cotton goods (*vide* page 44).

'Iraq Customs Tariff Schedule.—The Customs Tariff Schedule of 'Iraq classifies goods for the purpose of levying import duty under the following main heads :—

(1) Imports exempt from Customs duties.

(2) Imports assessed at 11 per cent *ad valorem*.

(3) Imports assessed at 15 per cent *ad valorem*.

(4) Imports assessed at 20 per cent *ad valorem*.

(5) Imports assessed at specific rates of duty and special *ad valorem* rates.

Tariff Schedule

There is also a general export duty of one per cent subject to certain exceptions. The following extracts from the 'Iraq Customs Tariff Schedule are of interest from India's point of view :—

Import duties assessed at 11 per cent *ad valorem*—

Coke.
Dyes and dyeing materials (unmanufactured).
Gums and resins.
Hides and skins.
Gunnies.
Hessian cloth.
Twine (coarse qualities for securing sacking).
Gunnies (B. Twil) } 10 annas per kilo.
Grain sacks }
Hessian cloth 14 annas per kilo.
Spices.
Tamarind.
Wood.

Assessed at 15 per cent *ad valorem*—

Cordage and rope.
Jute (including gunnies and hessians when not intended for packing).
Leather.
Mats (other than carpets) and matting.
Rice.
Textiles (manufactured), other than manufactures containing silk and artificial silks, and excluding laces and embroideries.
Vegetable and animal oils.
Wheat flour.

Assessed at 20 per cent *ad valorem*—

Silk (manufactured), artificial silks, velvets and satins.

Assessed at fixed rates of duty and special *ad valorem* rates—

Charcoal.
Coal.

Coffee—

(*a*) Raw.
(*b*) Roasted or ground.

Tea—

(*a*) in tins and packets not exceeding 5 kilos weight each.
(*b*) in larger packets than 5 kilos weight or in bulk.

Tobacco (manufactured).

Export Duties.—All articles exported are assessable to Customs export duty at the rate of one per cent *ad valorem* with the following exception :—

Dates, 3 per cent *ad valorem.*

Transit Dues.—A transit due of one-half per cent of value is levied upon goods, including passengers' dutiable baggage, removed through 'Iraq within six months.

When goods are removed in transit from storage in bonded warehouses, dues are charged as follows :—

On goods remaining in 'Iraq for more than six calendar months and not more than one year	1 per cent *ad valorem.*
On goods remaining in 'Iraq for more than one year and not more than two years	2 per cent *ad valorem.*
On goods remaining in 'Iraq for more than two years and not more than three years	3 per cent *ad valorem.*

Transit dues assessment is on the delivery cost of the goods (including packing, freight, insurance, landing, handling and other expenses of import).

Transit arrangements apply to the following routes of entry and exit :—

(*a*) From and to overseas *viâ* Basra and Baghdad, if to or from Persia or Syria or countries beyond these.

(*b*) From and to Persia *viâ* Baghdad and Khaniqin, if to or from overseas *viâ* Basra or to or from or through Syria.

(*c*) From and to Persia (Tabriz) *viâ* Baghdad, Kirkuk, Arbil, Rawanduz and Rayat.

(*d*) From and to Syria *viâ* Baghdad and Ramadie, if to or from overseas *viâ* Basra or to or from or through Persia.

Drawback.—A drawback of $\frac{7}{8}$ of import duty paid may be obtained on re-exportation of goods, subject to the provisions of the Customs Duty Drawback Law, 1926 and regulations and notifications issued thereunder.

For goods unused in 'Iraq, re-exportation within two years of entry is permissible and the Director of Customs and Excise may in special circumstances allow an extended period not exceeding two months. For goods used in 'Iraq, drawback is admissible only if re-export occurs within six months of entry.

Routes for export of goods under claim for drawback as above have been prescribed as follows :—

(*a*) By river or sea from Basra.

(*b*) To Syria from Baghdad *viâ* Felujah and Ramadie or *viâ* Felujah, Ramadie and Hit or *viâ* Felujah, Ramadie, Hit, Anah and Al Quim.

(*c*) To Syria from Mosul *viâ* Telafar, Ain Ghazal and Al Bedia.

(*d*) To Persia, by railway or road, from Baghdad *viâ* Khaniqin.

Import Prohibitions.—These include unmanufactured tobacco imported by sea and goods bearing a counterfeit Trade Mark or a false trade description.

Towns and Communications

Principal Towns.—The principal towns of 'Iraq are Baghdad, Mosul and Basra. According to the official census in 1919, their populations were 250,000, 80,000 and 50,000, respectively. Basra is the port, situated on the right bank of the Shatt-al-Arab, the name given to the river formed by the junction of the Tigris and the Euphrates. The present town is mostly a war development, with electric lights and fans. Baghdad is a city which retains much more of its oriental character, with bazaars which are definitely eastern in style, where the shopkeepers selling goods of a particular class all congregate close to each other. It is much more cosmopolitan than Basra ; while Arabic and English are the principal languages spoken in Basra, the Jewish and Syrian elements bulk largely in the trading community of Baghdad. Baghdad is situated on the Tigris about five hundred miles by river, and just over 350 miles by railway, from Basra. Mosul is situated on the Tigris over 200 miles in a north-westerly direction from Baghdad and it is proposed to extend the metre gauge railway running from Baghdad to Kirkuk on to the town of Mosul.

Communications.—'Iraq is served by both river and rail transport. From Basra there are the two main rivers, the Tigris and the Euphrates and river steamers and sailing boats traverse these. On the Tigris, between Basra and Baghdad the principal service of river steamers is run by the Mesopotamia Persia Corporation.

As a result of the flatness of the country the river Tigris winds about and makes the journey from Basra to Baghdad, by steamer, at least 500 miles. The steamers proceeding from Basra to Baghdad generally take two barges in tow one on either side and the passage occupies four or five days in the upward direction and 2 or 3 days downwards.

The country is also served by a railway system (metre gauge), extending from Basra through Baghdad to Kirkuk, with a branch line to Khaniqin. From Basra to Baghdad the line lies on the western side of the Euphrates for most of its length and terminates on the western bank of the Tigris at Baghdad West. The station for Kirkuk is Baghdad East and there is a wagon ferry at Baghdad. From Baghdad to Shargat, a distance of 186 miles, there is a standard gauge line, but the last fifty miles of the line has been closed to traffic. The branch line to Khaniqin is important and it is proposed to extend it a further 7 miles, which will take it up to the Persian frontier. Arrangements are being made to build a joint Customs House at this point in order to simplify the Customs formalities on this frontier. This project, when carried through, will facilitate the trade between 'Iraq and Persia. There is also a number of roads in the country and motor vehicles are becoming increasingly popular as a means of transport into Persia. The bulk of the goods carried into Persia, however, still go by caravan transport.

From Baghdad there are weekly motor services westwards to Damascus, Haifa and Beyrout. The Nairn Motor Transport Co. run closed six-wheeler cars capable of seating 14 persons. The drivers are British and the journey from Baghdad to Damascus is done in about 25 hours continuous running or may be taken in two stages sleeping at the desert post at Rutbah, where there are bed rooms and a refreshment room. There is also a weekly air

service from Basra to Baghdad and thence to Cairo, the time taken being 3 hours and 10 hours for the two sections. The air service is by the Imperial Airways.

For both desert motor transport and aeroplane journey the charge on baggage in excess of 100 lbs. is fairly heavy and passengers are advised to travel light.

For goods which are booked to Baghdad there is not much to choose between carriage from Basra by river steamer and by railway. The freight and other charges work out at the same figure, but in point of time the river steamers have a certain advantage. On the other hand, there is one period of the year, *viz.*, from November to the beginning of March, when the possibility of steamers going aground *en route* to Baghdad is not by any means absent and such an event sometimes entails greater delay. As regards the number of times of handling of the cargo the river steamer service has the advantage. The goods go into the barge over the ship's side at Basra and are not handled again till they reach Baghdad. Goods from Amara must of course go by river steamer, as there is no railway from Basra to that town.

Bonded Warehouses and Storage Facilities.—At Basra there are both Port and Customs bonded warehouses and facilities are also offered by the railways for storage. At Baghdad North the railways have a bonded warehouse, where goods may be stored when merchants are not prepared to clear them, within four months of their arrival by ocean steamers at Basra. Here also special facilities are afforded for the storage of goods sent to Baghdad for the payment of Customs duties there. Further it is now possible to consign goods direct to various places in Persia and these are declared at Basra as goods in transit and the railway is willing to act in the capacity of an agent, clearing goods through the Customs, paying transit dues, port dues and all other charges which in turn are detailed in the " to pay " invoices.

Basra Port, Landing Charges, etc.—Basra is fortunate in having a good harbour with deep sea wharves and electric cranes, all modern and in good condition.

Trade Marks.—At the time we visited 'Iraq there was really no Trade Mark law in force, but the Legislative Department of the Government had the matter under consideration. Under the old Ottoman law it was possible to register Trade Marks in the Courts, but these registers are now all in Constantinople. Negotiations are in hand, however, for their return to 'Iraq and it is probable that the line of action which will be taken by the 'Iraq Government will be the introduction of something similar to the old procedure. Sections 294 and 295 of the Baghdad Penal Code lay down that a person imitating the label, make-up, trade mark and general appearance of another man's goods is liable to fine and/or imprisonment. Probably the procedure most effective in preventing the infringement of Trade Marks is a threat to prosecute in a Criminal Court and this can be made by an advertisement in the leading newspapers. For 'Iraq the Baghdad Times would be the most useful organ for this purpose.

Chambers of Commerce.—At Basra there are two Chambers of Commerce, *viz.*, the British Chamber and the Basra Chamber. The membership of the

British Chamber is confined to British firms located in Basra, whereas both British and 'Iraq firms may be members of the Basra Chamber.

At Baghdad, similarly, there are two Chambers of Commerce, the British Chamber and the Baghdad Chamber.

The membership of the local Chambers of Commerce, as they are termed, is naturally much larger than that of the British Chambers, but in Basra particularly the firms which are members of the British Chambers of Commerce carry the greater proportion of the business of the town.

It is not possible for any firm which is not a member of an 'Iraq Chamber of Commerce to obtain a contract for the supply of Government stores. This eliminates the possibility of firms in India tendering direct for Government requirements.

Local Industries of 'Iraq.—'Iraq is essentially an agricultural country; its future may depend on oil and there are at present no large organised industries. Such local industries as do exist are in the nature of cottage industries and naturally they are those which are found in all countries of a like nature and stage of industrial development, *viz.*, handloom weaving, tanning on a cottage scale and smithy work, all small industries which are taken up as subsidiary occupations by cultivators.

While there are no factories in the usual sense of the term, the Railways, the Port authorities and the River Steamship Companies have their repair shops; the Anglo-Persian Oil Company and the Turkish Petroleum Co., their refineries; and the British Cotton Growing Association has its ginnery at Baghdad. Perhaps the only concern which possesses what might be termed an ordinary factory is an 'Iraqi Company at Baghdad which has a small cotton spinning plant, employing about 60 or 70 operators. The Mesopotamia Persia Corporation has hydraulic wool presses attached to their engineering repair workshops at Basra and Baghdad and, in addition to these, there are some 'Iraqi wool presses in operation. The Railways, which by the way are Government Railways, are the largest employers of labour in 'Iraq. Then come the Oil Companies and the Port authority at Basra.

Trading Conditions in 'Iraq.—The present conditions of trade in 'Iraq cannot be regarded as bright. Within the last few years the commerce of the country has been the victim of several adverse factors among which the more important have been (1) the increased competition from Russia for the Persian trade, thus seriously reducing the 'Iraq transit trade, (2) extended periods when Persian exchange has been unfavourable to 'Iraq merchants, (3) difficulties of transport to Persia, resulting from the commandeering by the Persian Government of almost all available transport for the movement of grain to Teheran, (4) serious floods at Baghdad, inundating the railway there and causing heavy losses. All these adverse circumstances brought about a state of trade depression and financial stringency which drove a number of merchants into bankruptcy, while the difficulties were probably magnified by the national tendency of the many 'Iraq merchants to overtrade without keeping careful records of their day to day positions. At the time of our visit to Basra and Baghdad the principal banks had tightened up all credit facilities and as a result of the ordeal through which the merchants of 'Iraq had passed, it was considered that a period of trading on a healthier basis had been inaugurated.

CHAPTER IV.

COTTON PIECEGOODS TRADE OF 'IRAQ.

The yarn and piecegoods trade of 'Iraq can be divided into two very distinct sections, namely, the import trade for 'Iraq itself and the transit trade for Persia, the former being slightly greater than the latter. Tables on page 47 show the quantities and values of the yarn and the piecegoods imported into 'Iraq for the 12 months ending 31st March, 1927, and the six months ending 30th September, 1927, respectively. Tables on page 49 give details as to the quantities and values of the transit trade to Persia for the same periods.

There is also a small export trade independent of the transit trade, the amount of this trade being roughly about 10 per cent of the import trade. It exists for the reason that it is often convenient to exhibit new qualities and designs in the Baghdad market before exporting them to Persia in large quantities, Baghdad being what might be termed the dictator of fashions for Persia. The continued existence of this export trade is assisted by the fact that the law of 'Iraq provides that a drawback of $\frac{7}{8}$ of the import duty may be obtained on re-exportation of the goods, provided that such re-exportation takes place within two years of the goods entering 'Iraq.

Import trade in Yarn.—In 1926-27 the total imports of yarn into 'Iraq were in the neighbourhood of R8 lakhs; 90 per cent of this yarn was imported from India, the exact figure according to the 'Iraq Customs return being R7·12 lakhs. The whole of this R7·12 lakhs' worth of yarn, however, was not manufactured in India, but this is not ascertainable from the 'Iraq Customs return owing to the fact that the yarn shipped from an Indian port is designated in the 'Iraq returns as of Indian manufacture. From the Indian statistics it is possible to gauge with some accuracy the proportion of this yarn which was produced in Indian mills.

The Indian statistics show that in 1926-27 about 12 per cent to 13 per cent of the yarn exported to 'Iraq was of foreign manufacture. Practically the whole of this must have been Japanese yarn and our enquiries in Basra and Baghdad led us to the conclusion that the bulk of this Japanese yarn was 2/42s bleached and a smaller proportion of 20s grey.

In the first six months of 1927-28 the trade in yarn from India had fallen away very considerably, the quantity exported being roughly one-third of the amount exported in the preceding 12 months. England and other countries appear to have gained ground at India's expense. The extent of the total imports of yarn in the first six months of 1927-28 was approximately 40 per cent of the total for the previous twelve months, but owing to higher prices the value was roughly 50 per cent of that of the previous year.

Import trade in piecegoods.—According to the 'Iraq Customs return the total value of the import trade in cotton piecegoods in 1926-27 amounted to R2·2 crores. Roughly the trade is shared between the United Kingdom, India and Italy.

In the year under review India's share of the trade was 31 per cent of the total, the value being R69 lakhs. As in the case of yarn, however, this figure

exaggerates the importance of India's share. From the Indian statistics of the same period it may be estimated that about 10 per cent of the goods attributed to India in the 'Iraq returns were in reality of foreign manufacture. The Indian returns also show that the bulk of these foreign goods were greys, and must have been of Japanese manufacture. The United Kingdom's share of the trade was nearly 60 per cent of the total, other countries accounted for 10 per cent of the trade, and, though not shown in the Customs returns, the greater portion of these goods were probably of Italian manufacture.

In the first six months of 1927-28 the value of the total trade was considerably more than half of the total for the previous year, but India's percentage had fallen from 31 to 28 per cent; " other countries " also suffered, their share of the trade falling to between 5 per cent and 6 per cent of the total, while the United Kingdom's share had risen from 58 per cent to 67 per cent of the total. In India's share again there must have been a considerable proportion of Japanese grey and our enquiries led us to believe that the proportion of the latter was greater than in the previous year.

The 'Iraq Customs returns for piecegoods are divided into six classes, namely :—Grey, Bleached, Dyed in the piece, Dyed in the yarn, Prints and Other kinds. Estimating on a value basis, the figures show that in 1926-27 bleached goods dyed in the piece, and prints were imported in considerably greater proportions than the remaining classes, the actual percentages being Bleached 22 per cent, Dyed in the piece 21 per cent, Prints 22 per cent, Grey unbleached 15 per cent, Other kinds (including artificial silk striped and checked materials) 11 per cent, and Dyed in the yarn 9 per cent and in the first six months of 1927-28 the proportions were : Bleached 23 per cent, Dyed in the piece 20 per cent, Prints 16 per cent, Grey 14 per cent, Other kinds 15 per cent and Dyed in the yarn 12 per cent, which seem to indicate a falling off in the popularity of printed goods and an increase in the popularity of goods dyed in the yarn and of artificial silk striped goods (see tables on page 47).

Grey unbleached.—Practically the whole of the grey unbleached goods imported into 'Iraq are from India. In 1926-27 the actual quantity imported was just over 11½ million yards, of which over 11 million was from India. Of these 11 million, as previously indicated, a considerable proportion was Japanese. In the first six months of 1927-28 the imports of grey unbleached were 7,300,000 yards, of which just over 7 million came from India.

Bleached goods.—The total importations of bleached piecegoods for the year 1926-27 were 15 million yards, practically all of which came from the United Kingdom, India's share being less than one million yards. It is satisfactory to note, however, that in the first six months of 1927-28 the proportion of Indian goods was considerably higher than in the previous year.

Dyed in the piece.—In 1926-27 the total importations of goods dyed in the piece were 15¾ million yards. The trade was shared between India, the United Kingdom and Italy. The yardage of Indian goods was practically the same as the yardage imported from the United Kingdom, but the value of the latter was considerably higher. Italy's share (shown in the statistics amongst " other countries ") was about one-eighth of that of India. In the first six months of 1927-28 England improved her position very considerably

her sendings being over 6 million yards against just over 3 million yards from India. The importations from " other countries " fell away to some extent.

Dyed in the yarn.—Out of a total of 7 million yards of coloured woven piecegoods imported, India's sendings were 4½ million yards in 1926-27 as compared with ½ million yards from the United Kingdom and about 2 million yards from " other countries ", chiefly Italy. In the first six months of 1927-28 more than 5 million yards of coloured woven piecegoods were imported, of which India's share was 2,400,000 yards, the United Kingdom's 400,000 yards, and the remainder, over 3 million yards, was from " other countries;" from our observations almost 80 per cent of these must have been of Italian origin. This increase in the popularity of coloured woven goods is very striking. The Italian goods seem to have replaced prints.

Prints.—Out of 14 million yards of prints imported in 1926-27, 12½ million yards were from the United Kingdom. India's share was negligible and Italian goods seem to have established themselves to some extent. In the first six months of 1927-28 prints to the extent of 6,800,000 yards were imported and of these about 85 per cent were from the United Kingdom, the rest being from " other countries," chiefly Italy. The falling off of the proportion of goods from the United Kingdom is indicative of an increase in the popularity of Italian prints.

" Other kinds " of piecegoods.—The yardage of " other kinds " of piecegoods is not indicated in the Customs figures. They apparently include mixed goods of cotton and artificial silk, the popularity of which is growing in both 'Iraq and Persia. Arab head dresses are also imported to a considerable extent. They are chiefly manufactured in Glasgow and probably account for the fairly high value proportion of the goods imported from the United Kingdom, under this classification. The value of " other kinds of piecegoods " considerably exceeds the value of coloured woven goods, though the yardage may be less owing to the higher intrinsic value of the articles.

Transit trade.—In dealing with the trade of 'Iraq it is not necessary to go into great detail regarding the transit trade. Practically the whole of this transit trade in cotton piecegoods and yarn is for Persia. The order of importance of the various classifications taken on a quantitative basis in 1926-27 was

(1) Goods dyed in the yarn (22 million yards)
(2) Prints (21,737,000 yards)
(3) Dyed in the piece (11 million yards)
(4) Bleached goods (11 million yards)
(5) Grey (8,636,000 yards).

The great bulk of the " Dyed in the yarn " was from India,—21 million out of 22 million yards. It is significant to note that the value per yard of these goods was very much lower than any other class of coloured goods imported. Practically the whole of the prints were from the United Kingdom and also nearly 90 per cent of goods dyed in the piece and well over 95 per cent of the bleached goods. In greys over 90 per cent were imported from India. In the first six months of 1927-28 the transit trade with Persia

amounted to 33½ million yards, a figure considerably less than half of the figure for the previous year. "Dyed in the yarn" fell away considerably, the quantity imported being only ⅓ of the total for the previous year.

'IRAQ.

The Trade in Cotton Yarn and Textiles.

Imports of Cotton Yarn and Textiles into 'Iraq for 12 months ending 31st March 1927.

	From India		From U. K.		From Syria		From all countries.		Per centage of total value
	Quantity	Value in £ (000)	Quantity	Value in £ (000)	Quantity	Value in £ (000)	Quantity	Value in £ (000)	
Unit (000)									
Twist and Yarn Kilos	437	7,12	21	62	9	19	470	8,00	..
Grey unbleached piecegoods (000) yds.	11,057	33,47	168	56	10	3	11,616	35,35	51
Bleached piece goods . . „	779	2,41	14,009	44,47	55	26	15,103	48,82	22
Dyed in the piece „	6,735	18,28	6,740	21,76	283	1,37	15,725	46,71	21
Dyed in the yarn „	4,534	10,56	521	1.53	912	2,59	7,130	19,11	9
Prints . . „	138	44	12,633	39,57	646	2,43	14,052	45,68	22
Other kinds . „	..	3,33	..	19,35	..	88	..	25,17	11
Total piecegoods for year . . .	..	68,98	..	1,27,24	..	7,56	..	2,20,84	100

Imports of Cotton Yarn and Textiles into 'Iraq for 6 months ending 30th September 1927.

	From India		From U. K.		From Syria		From all countries		Per centageof total value
	Quantity	Value in £ (000)	Quantity	Value in £ (000)	Quantity	Value in £ (000)	Quantity	Value in £ (000)	
Unit (000)									
Twist and Yarn . Kilos	159	2,80	20	86	9	19	190	3,93	..
Grey unbleached piecegoods (000) yds.	7,064	18,15	168	51	17	5	7,307	18,88	14
Bleached . . „	774	2,40	8,286	26,67	40	18	9,151	29,48	23
Dyed in the piece „	3,292	8,60	6,144	16,30	209	1,14	10,043	27,52	20
Dyed in the yarn „	2,400	6,51	428	1,27	765	2,40	5,103	16,01	12
Prints . . „	20	7	5,991	17,96	206	72	6,802	20,37	16
Other kinds . „	..	1,33	..	15,46	..	86	..	18,61	15
Total for 6 months (piecegoods) . .	..	37,06	..	88,17	..	4,85	..	1,30,87	100

'Iraq

Exports of Cotton Yarn and Piecegoods from 'Iraq for 12 months ending 31st March 1927.

Type of goods		To Persia		To all countries	
		Quantity	Value in R (000)	Quantity	Value in R (000)
	Unit (000)				
Twist and Yarn	Kilo	1	1	1	1
Grey unbleached piecegoods	Yds.	116	40	229	73
Bleached	„	977	2,74	1,107	3,23
Dyed in the piece	„	1,337	4,89	1,551	5,54
Dyed in the yarn	„	68	28	95	36
Prints	„	2,568	7,34	2,908	8,36
Other kinds	„	..	1,24	..	1,89
Total		4,066	16,89	5,890	20,11

Exports of Cotton Yarn and Piecegoods from 'Iraq for 6 months ending 30th September 1927.

Type of goods		To Persia		To all countries	
		Quantity	Value in R (000)	Quantity	Value in R (000)
	Unit (000)				
Twist and Yarn	Kilo	..	..	..	..
Grey unbleached piecegoods	Yds.	5	1	23	5
Bleached	„	549	1,39	651	1,63
Dyed in the piece	„	825	2,65	995	3,25
Dyed in the yarn	„	90	43	126	46
Prints	„	1,377	3,60	1,496	3,92
Other kinds	„	..	58	..	77
Total		2,846	8,66	3,291	10,08

Piecegoods Trade of Basra

Statement showing quantities and values of the transit trade through 'Iraq in cotton yarn and piecegoods for year ending 31st March 1927.

	Unit	In transit from India		In transit from U. K.		In transit to Persia		Total transit trade.	
		Quantity	Value R(000)	Quantity	Value R(000)	Quantity.	Value R(000)	Quantity	Value R(000)
Twist and Yarn	(000) Kilo	70	93	..	..	70	98	70	98
Grey unbleached piecegoods	Yds.	8,284	15,73	352	1,38	8,636	17,12	8,636	17,12
Bleached	„	7	2	10,856	34,75	11,024	35,55	11,024	35,55
Dyed in the piece	„	901	2,18	9,917	41,46	11,224	45,87	11,242	45,93
Dyed in the yarn	„	21,247	33,97	490	1,85	22,102	37,31	22,102	37,31
Prints	„	3	1	21,453	54,25	21,707	55,30	21,737	55,39
Other kinds	value	—	11	—	5,07	—	5,18	—	5,21
Total value		..	52,02	..	1,38,76	..	1.96,33	..	1,96,51

Statement showing quantities and values of the transit trade through 'Iraq in cotton yarn and piecegoods for six months ending 30th September 1927.

	Unit	In transit from India		In transit from U. K.		In transit to Persia		Total transit Trade	
		Quantity	Value R(000)	Quantity	Value R(000)	Quantity	Value R (000)	Quantity	Value R(000)
Twist and Yarn	(000) Kilo	7	10	..	..	8	11	8	11
Grey unbleached piecegoods	Yds.	3,007	4,86	232	99	3,240	5,85	3,240	5,85
Bleached	„	..	..	4,006	12,59	4,019	11,65	4,019	11,65
Dyed in the piece	„	522	1,20	7,823	31,31	8,606	34,00	8,608	34,00
Dyed in the yarn	„	6,469	9,76	248	61	7,380	13,47	7,380	13,47
Prints	„	..	..	9,877	22,56	10,369	24,26	10,369	24,26
Other kinds	value	—	24	—	2,10	—	2,37	—	2,39
Total value		..	16,06	..	69,16	..	91,60	..	91,62

BASRA.

Types of cotton goods saleable in Basra markets.—The notes on the classes of goods saleable in Basra should be read in conjunction with the notes on Baghdad, the goods which are consumed being practically similar. The extent of the Basra market in no way compares with that of the capital city of 'Iraq and the trade is more or less of a retail nature. It is unusual for Basra merchants to import goods direct; they usually draw their supplies from Baghdad where their head offices are located.

Grey Unbleached goods. Grey sheetings.—Apart from the grey goods supplied by Indian mills, of which the quality, particulars and dimensions are well known, practically the only grey goods imported into Basra for consumption in 'Iraq are Japanese and Chinese sheetings. The most popular type of Japanese sheeting is made in the dimensions, 36″×30 yards, weight 10 lbs. per piece.

Chinese sheetings are usually lighter in weight than those imported from Japan. The popularity of Chinese and Japanese grey piecegoods is increasing rapidly, and during the last two years they have been replacing Indian goods.

Bleached shirtings.—The bleached shirtings selling in the Basra market are imported almost exclusively from the United Kingdom. As a rule, they are of a higher reed and pick than is usual in Indian goods. No pure finished and light calendered shirtings are saleable in this market. The goods imported from Manchester are always heavily finished and highly glazed. The most popular width of shirting for the Basra market is 38 inches, and there are also fairly large sales of 31″ and 32″ goods. The length per piece is invariably 40-41 yards. The Manchester bleached goods seen in this market had no woven headings but were most attractively stamped, usually in gold ink, and had imitation gold thread headings printed on, instead of woven into, the piece. If Indian mills are to sell their goods in competition with Manchester bleached goods they must also improve their packing and make-up. Manchester sends her goods in cases, never in bales ; 20 to 30 pieces per case, according to the width of the cloth. Each piece is separately wrapped in strong thick, yellow, glazed paper of good quality.

Bleached Tanjib.—Tanjibs constitute an important factor in the bleached goods trade of 'Iraq. They are used for head-dresses by the male population, are usually of a very light texture and have a highly glazed finish. The width varies from 25″ to 42″, but the greatest sales are of narrow-width goods. The length varies from 16½ to 19 yards, but most goods are not stamped with the actual yardage. For example, a tanjib stamped with the number 19 would probably measure 16½ to 17 yards. It is usual for tanjibs for this market to be sold with woven headings. The goods are made up nainsook fold, and on the top fold the Trade Mark and Trade Number are stamped, generally in blue, and below the number is an imitation woven heading printed in gold ; 10 pieces per bundle and 250 to 300 pieces per bale or case.

Bleached Striped Zephyr Shirtings.—There is a small trade in striped zephyr shirtings with bleached grounds. Simple clean styles are preferred. The colours of the stripes should be fast to bleaching and they are usually black, helio and blue in bright shades. This style of fabric is imported almost wholly from the United Kingdom in 27″ width and 50-60 yard pieces. The goods are made up shirting fold with 25. to 30 pieces per bale. Sales in Basra and Mohammerah amount to 200-300 pieces per month.

Dyed Muslins, Mull and Voiles.—This is not a very important trade in Basra. The reason for the inclusion of examples in this range of samples is that their low qualities should make it possible for them to be manufactured with advantage in Indian mills.

Coloured Dress Materials.—The Italians during the last two to three years have built up a very considerable trade in striped and checked dress materials. They are imported in a very wide range of designs and colourings and are replacing Manchester prints to some extent. They are generally 50-60 yards per piece, woven split and in narrow width of 25″, 26″ and 27″. The 26″ width appeared to be most common. They are unfinished, but are sometimes raised on the back. They are made up rolled fold with two narrow bands of paper under each tee and packed 20-30 pieces per bale, each piece being of a different design.

Artificial Silk Striped and Checked Dress Material.—This class of goods is being imported in growing quantities from Italy and, to a lesser extent, from Belgium. A wide variety of designs and colours are available in the market.

Indian mills might very easily produce a competitive article, but a wide range of patterns and colours must be supplied.

Black Dyed Sateens and Jaconets.—There is a very extensive trade in black dyed materials of varying qualities throughout 'Iraq and Persia. Black is an almost universal colour for the Abbahs worn by Mohammedan women in these two countries. Some of the lower qualities of black dyed shirtings and drills are already manufactured in India, but the great bulk of the black used in 'Iraq is of Manchester manufacture and is of a higher quality than has hitherto been supplied by India. Black sateens with a highly glazed finish are imported in very large quantities, packed 12 to 16 pieces per bale according to width. Each piece is separately wrapped in white tillotting and again in yellow glazed paper. The trade mark, trade number and yardage is stamped on the paper wrapper as well as on the material itself. India can hardly hope to reproduce immediately the high finish given to these goods, but there is a very large field to be tapped even in a somewhat lower quality.

Black Jaconet.—The sales of this type of cloth in varying qualities are almost as great as those of black sateen. Lower qualities find a ready sale in Persia and 'Iraq all the year round, but the heaviest demand is immediately before the month of Ramzan. This last remark applies to all black materials.

BAGHDAD.

Types of cotton piecegoods in demand in Baghdad.—In dealing with the cotton piecegoods trade of Baghdad it is impossible to avoid mentoining the trade for Persia at the same time. The reason for this is that the Baghdad merchant not only imports goods for sale in 'Iraq, but also purchases goods for sale in Ispahan, Hamadan, Teheran, and Tabriz, where in many instances he maintains subsidiary offices. If the Baghdad merchant has no branch offices in Persia he frequently acts as a forwarding or commission agent for a principal located in Persia. In our enquiries we found it impossible to ascertain from merchants the exact shares of various types of goods consumed in 'Iraq, and in Persia, but they were able to judge with some degree of accuracy the extent of the total annual demand for the two countries combined.

As mentioned in the notes on the Basra market, Baghdad acts as a distributing centre for the whole of 'Iraq and, although practically all the piecegoods for 'Iraq are imported through Basra, the demand at Basra is usually supplied from stocks kept in bond in Baghdad. Speaking in general terms, Baghdad may be described as a coloured goods market. There is a considerable demand for bleached styles—chiefly shirtings and tanjibs, but the chief selling lines are prints, woven coloured and dyed goods. The greys which are sold are often dyed locally.

India has a fairly good hold on the trade in woven coloured goods in certain of the low qualities, which sell by reason of their cheapness, and in mixed goods of woven and artificial silk, but Italy has been making ground during the last two years at India's expense in these two lines, and has been assisted in her efforts to capture a larger portion of the market by her policy of granting credit to merchants, and also by the variety of the designs which she offers for sale. In dyed goods the chief supplier is the United Kingdom, though India retains a fair share in the lower qualities. In prints the largest supplier is again the United Kingdom, but she latterly has lost ground to Italy, and the sendings of prints from Baghdad for consumption in Persia have also decreased owing to uneconomic competition from Russia. In bleached goods the United Kingdom has practically a monopoly of the trade.

Grey Goods. Grey Sheetings.—Apart from the grey piecegoods imported from India, of which the qualities are well known to Indian manufacturers, practically the only grey goods imported are Chinese and Japanese sheetings. The sales of Japanese 9-lb. shirtings are not so great as the sales of 10-lb. qualities. No exact estimate of the total consumption of Japanese sheetings in 'Iraq could be obtained, but sales are undoubtedly increasing. They are displacing Indian greys owing to their cheapness, and superior colour.

Bleached Goods. Bleached Shirtings.—There is a very large trade in bleached shirtings for consumption in 'Iraq and also for exportation to Persia, the trade for Persia being approximately equal to that of 'Iraq. Practically all these goods are imported from Manchester. There is a big range in qualities and widths, but 38″ goods are in considerably greater demand than other widths, the next most popular width being 31″. Medium qualities sell more freely than high qualities. Back filled and highly glazed goods take precedence in the market.

As explained in the paragraph on the Basra market, woven headings are conspicuous by their absence in bleached shirtings. The trade mark is usually stamped on the upper fold of the piece, in gold, and below the trade mark the importer's name, the trade number and the yardage are stamped in blue.

The shirtings imported from Manchester are invariably made up shirting fold, each piece wrapped in glazed paper (either white or buff shade) of very good quality and are always sent in tin-lined cases. Goods intended for Persia are packed 15-20 pieces per case to facilitate transport by camel or mule. For 'Iraq there are usually 30 pieces per case.

Bleached shirtings constitute one of the largest single item in the cotton piecegoods trade of 'Iraq and Persia, and if India is to capture a greater share of it, her qualities and finish must approximate to those supplied by Manchester.

Bleached Drills and Ducks.—There is a fair business in bleached drills and ducks. This trade amounts to about 200-300 bales per month.

Dyed Goods. Black Sateens, Drills and Italians.—Black sateens, drills and Italians are imported in large quantities. They are used in a very wide range of qualities by the Mohammedan population for making the loose black outer garments worn by Mohammedan women. The total consumption of the various qualities of black goods imported is almost as large as that of bleached goods and, though it is difficult to give a correct estimate of the total sales, these may be placed at a figure between 10 and 15 million yards per year. Black sateens are imported in both single and double widths, the single-widths as a rule being of a lower quality and finish than the double-width qualities.

The most popular black sateens are given a mercerised finish. The best qualities are always packed in cases—double-width goods 15 pieces per case; narrow-widths 20-25 pieces per case—and each piece is wrapped in tillotting and has a second covering of glazed paper. The lower qualities of single-width goods, though separately wrapped in paper, have no wrapper of tillotting and are sometimes imported in bales instead of in cases.

Khaki Drill.—Khaki Drills are imported in fairly large quantities from England by the 'Iraq Government and are always chrome dyed. The lower qualities, which sell in small quantities, and which are not chrome dyed, are imported from Italy.

India also sends a small quantity of chrome dyed khaki, but up to the present the sales have been small, although the quality is comparable with that imported from England.

Cotton Trouserings.—Cotton trouserings of low qualities are imported in large quantities from India. These goods are usually made in 26″-27″ width, length 24 yards, weight 5-7 lbs. The sales of Indian trouserings are, however, falling off in competition with Belgian and Italian goods of somewhat heavier qualities. The Italian and Belgian goods are nearly always made in double widths and in a wide range of most attractive designs. Indian goods suffer greatly in comparison with the Italian article in the latter respect and there seems to be no reason why India should not be able to manufacture cotton trouserings similar in appearance and in as wide a variety of designs as those of Italy. Another point of importance is that the weft used in Italian goods contains more twist and is, therefore, stronger than the weft used in Indian trouserings. As it is usual for the purchaser to test the quality of the trousering he buys by its resistance to tearing, he very often buys the Italian article in preference to the Indian, although the former is higher priced than the latter. Trade Marks or stamps are never put on the actual piece by Italian manufacturers, but sometimes appear on the wrapper.

The total sales of Italian trouserings of all qualities amount to not less than 5,000 bales per annum. They vary in width from 46″ to 54″ and from 45 to 55 metres in length. The patterns and finish closely resemble the pattern and finish found in the superior classes of worsted suitings. They are made up double fold and rolled on wooden or card boards. Each piece is wrapped in glazed paper and a small cutting showing the design of the piece is attached

to the end of the piece. They are packed in two sizes of bales, 20-25 pieces per bale for Baghdad and 10-12 pieces per bale for Persia. There are, as a rule, at least 10 different designs per bale and a sample card showing the exact assortment of designs accompanies each bale, with the bale number stamped on the sample card. Two or three sample cards are also sent along with all shipping samples of new qualities and designs.

Cotton Tussores.—Tussores in various shades and qualities are imported to a considerable extent from England and Italy. India does not appear to have entered the market in this particular article, but should be able to reproduce some of the lower qualities at competitive prices.

Cotton Dress Material.—There are two classes of "Dress material" imported from Italy in large quantities. The first contains no artificial silk. This type of cloth is imported in a very wide range of most attractive striped and checked designs in narrow widths of 25-27 inches and is usually woven split. It is growing in popularity and sells freely throughout the year, but the heaviest sales are made during the winter months. It is made up rolled fold and packed 25 to 30 pieces per bale, and although higher in price, it is replacing Indian half-to-half checks to a certain extent.

The second type of dress material imported in large quantities, chiefly from Italy, contains figured artificial silk stripes. It comes in a wide range of qualities and designs. The Italian artificial silk dress materials sent to 'Iraq and Persia are always made in narrow widths 25"-28" and the lower qualities are often woven as splits. The length of the pieces ranges from 45 to 50 metres. All Italian artificial silk striped goods are made up rolled fold and are packed 20-25 pieces per bale. The note regarding sampling for trouserings applies also to all classes of Italian dress materials.

Cotton Blankets.—The trade in cotton blankets is only small. The blankets which are imported are from Belgium and Holland and are usually printed after raising.

Arab Head Dresses.—This is an interesting article in which there are extensive sales not only in 'Iraq but in all countries with Arab population. In 'Iraq the sales amount to about 500 bales per year. The trade is a monopoly of Glasgow. The head dresses consist of a square plain weave cloth with a simple lappet figure super-imposed on it in either black, red or blue. The colours used for the lappet figures are always fast to bleaching. The red is usually Turkey red and the blue indigo. A few examples of head dresses worn by the wealthier classes have a woollen instead of a cotton ground, but the great bulk of the goods are made entirely of cotton.

Tents.—There is a very fair demand in 'Iraq for tents. The Government of 'Iraq is a large buyer for the use of the 'Iraq Levies and there is also a demand for very cheap tents by the shepherd population. The specification for tents required by the Government of 'Iraq is not so stringent as in India. The bulk of the supplies are drawn from the United Kingdom though it is understood that Indian tents have also been found satisfactory. It might be noted by tent manufacturers in India that Government contracts for tents can only be placed with firms which have offices or agents in 'Iraq and that these agents must be members of the Baghdad Chamber of Commerce.

Demand for Woollen Goods.—The climatic conditions in 'Iraq during six months of the year are such as to create a demand for worsted suitings and woollen blankets of a cheaper type. The demand for both worsted suitings and blankets is at present met by the United Kingdom and Belgium. The Mission unfortunately did not carry with them a very large range of suiting samples, and even those we had were too high in price, but our woollen blankets compare favourably in price with those of the United Kingdom, and some development in this class of trade should be possible. The value of the import trade in woollen piecegoods and blankets in 1926-27 amounted to R23,42,693 of which R18,34,398 were piecegoods.

To this figure must be added the transit trade for Persia through Baghdad, the value of which in 1926-27 was R7,80,832, of which piecegoods accounted for R7,74,347.

TARIFF VALUATION FOR COTTON PIECEGOODS.

Incidence of the Tariff.—For the purpose of calculating the import duty leviable on importation into 'Iraq, cotton piecegoods are divided into five main classifications, Grey unbleached, Bleached, Dyed in the piece, *Dyed in* the yarn, and Prints. The actual duty payable is calculated according to the weight per square yard of the fabric, all cloths in a particular classification coming within a certain range of weight per square yard being given a particular tariff value. The tariff values so fixed are adjusted at 3 months' intervals by the Customs authorities in consultation with importers.

The defect of the tariff is that it makes no distinction in value between goods made from coarse low-priced yarns and goods made from finer counts, if the weight per square yard is the same. Thus a cloth made from coarse yarn in a low reed and pick has the same tariff valuation and pays the same duty as a more valuable cloth made from fine yarns, if the weight per square yard is the same. Under such a scheme, anomalies are bound to occur, and in particular lines, such as check susis, in which India has a large trade, the duty paid works out at considerably more than 15 per cent., if calculated on an *ad valorem* basis. The following examples will illustrate this point:—

Type of cloth: Check Susi.—Dimension 22″×24 yards, weight 3 lbs. per piece; c.i.f. price on 23rd February 1928, Rs. 3-5-3 per piece:

Duty payable under 'Iraq tariff (see page 38).

Weight of cloth per sq. yard $= \frac{3}{1} \times \frac{36}{22} \times \frac{1}{24} = \frac{9}{44} = \cdot 205$ lb. = 93 grammes per sq. yard.

Tariff valuation=Rs. 3-6-0 per kilog.

Tariff value per piece in annas $= \frac{3}{2 \cdot 2} \times 54 = 74$ annas.

C.I.F. value=53¼ annas.

∴Rate of duty payable $= \frac{74}{53 \cdot 25} \times 15 = 20 \cdot 9$ per cent.

Thus, instead of 15 per cent. duty, Indian check susis in reality pay about 21 per cent duty, when imported into 'Iraq.

System of marketing and terms of business.—The piecegoods and yarn trade of 'Iraq is practically confined to the Jewish community, but there are several methods of transacting business. Many of these Jewish firms are family concerns and most of them have agents or branch offices in Manchester, through whom they make the bulk of their purchases of Manchester goods. There are also two or three large Manchester firms established in Baghdad and the remainder of the purchases of Manchester goods are made through them. These firms find great difficulty in competing against the local Jewish merchants, owing to the very small margins on which the latter work and the facilities which the Jews have for direct business through family connections in Manchester. The number of dealers in Indian piecegoods is small, but the methods of purchase are very similar to those adopted in the case of Manchester goods. For example, Italian manufacturers of similar classes of goods have formed syndicates to deal with the export trade, with sole agents in Baghdad working on a commission basis (the rate of commission varies between 1½ and 2½ per cent). These sole agents hold stocks, on account of their principals, in running qualities and distribute them as required by the market. No direct business is allowed to the local merchant and competition between agents of different exporting syndicates is restricted to a minimum, and the syndicates do not compete amongst themselves to any great extent so far as particular designs and qualities are concerned.

New designs and qualities are frequently sent on consignment terms to agents, the size of the consignment and the range of designs being determined by the agent from sample cards which have been previously submitted. In order to introduce new qualities the prices at which these consignments are disposed of are often below the true market value of the goods.

Japanese goods sold in 'Iraq are confined to grey sheetings and striped drills. Local merchants usually buy from Japanese houses in Bombay or from Bombay merchants.

Terms of Business—Banking facilities, etc.—The Jewish merchants, except in one or two instances, do not confine their activities to one class of imports, and the importer of piecegoods, as a rule, is an importer of a large range of other commodities. This absence of specialisation even amongst small merchants has resulted in a tendency for firms to trade beyond their means, and, during the last few years, most banks have deemed it advisable to restrict the financial aid which was previously allowed to merchants.

As previously explained, Manchester goods are usually bought and paid for in Manchester by an agent or branch of the parent firm in Baghdad, and it is understood that considerable facilities are offered by the Manchester shippers, manufacturers and bankers in regard to payment. Goods purchased from Manchester houses established in Baghdad are, as a rule, paid for in instalments, 20 per cent to 30 per cent with order and the balance as the goods are disposed of.

Indian piecegoods are bought through agents or branches in Bombay for cash on delivery of the goods alongside steamer or on due date, if the goods are not to be shipped immediately. Orders are seldom booked directly with the mills from Baghdad, except for very small lots. Terms in the case of direct

purchases are cash against documents or by confirmed letter of credit. Italian goods are sold on credit terms, the period during which credit is allowed being 60 to 90 days. If payment is made before due date a discount at the rate of 4 to 5 per cent per annum is allowed. Sole agents are often allowed practically open credits.

Japanese goods are bought for cash in Bombay, but the Bombay merchant may, in certain instances, allow credit for a limited period. Credit of 3-5 months is almost invariably allowed by the wholesaler to the retail merchant in Baghdad. To finance such credits, the wholesaler must obtain financial assistance from the Banks in Baghdad and as the rate of interest paid for such assistance is high (7 per cent to 10 per cent), this interest charge must be added to the price charged to the retail merchant. In the case of Italian goods, the credit allowed by the exporting houses to their agents makes it necessary to include interest charges in the invoice prices, but as accommodation can be obtained at lower rates in Italy than in Baghdad, there is a slight saving in the actual prices which have to be paid by the retail merchant.

Persia imports annually, through Baghdad, nearly 120 million rupees' worth of cotton piecegoods. These goods are imported, paid for and re-exported by Baghdad merchants or the agents of Persian dealers located in Baghdad. Many Baghdad merchants have branches, agents or correspondents in Kermanshah. Hamadan, Tabriz and Teheran. These branches, agents or correspondents effect sales with the Persian dealers on terms similar to those given to the retailer in Baghdad.

There are adequate exchange facilities between Persia and Baghdad which make it possible for Baghdad merchants to sell bills drawn on Persian merchants and thus realise the value of their sales before due date.

Competition for the Piecegoods trade of Baghdad.—Manchester, Italy and Japan are India's chief competitors for the piecegoods trade of 'Iraq. Sixty per cent of the total trade in 1926-27 was held by the United Kingdom, and in certain lines, such as bleached goods and prints, England had more than 90 per cent of the business. For the present India cannot compete in prints, and only to a certain extent in bleached goods. In the lower and medium qualities of bleached shirtings there is a prospect of Indian mills entering the market, if they can reproduce the finish supplied on Manchester goods. In piece-dyed goods the field for competition is somewhat wider and India has managed to obtain a 30 per cent footing in the trade which might be extended in the directions indicated earlier in the report.

In grey goods India's only competitor is Japan, but unless India can produce an article which will compete in price and quality with Japanese sheetings, it is only a question of time before India's greys are removed from the market. India, Italy and England share the trade in woven coloured goods. India practically monopolises the trade in the lowest qualities such as susi checks, Thana cloth and striped drill. England's trade is chiefly confined to fine goods, while Italy specialises in coloured dress materials and trouserings. India cannot hope to compete against Manchester goods, owing to their fineness, except in one or two small lines, but there is a reasonable hope of success in lines similar to those produced by Italy in trouserings and dress

materials. In artificial silk mixed goods, India has made some progress in the lower qualities, but there is still a wide field to be tapped in medium and fine qualities, where Italy and England respectively hold the major portion of the market.

Packing, Finishing, Making-up and Sampling.—As compared with other countries, Indian goods are very badly packed. Judging from the goods we saw, very little difference is made between the packing given for export and for home consumption. As will be evident from the previous paragraph, India has not yet made any progress except in the very lowest qualities of goods sold in 'Iraq, and in these the packing is not of great importance. The remaining field, in which an extension of India's trade may be hoped for, makes more serious demands in regard to packing, finishing, making-up and sampling. In bleached goods the packing, etc., must approximate to that supplied by Manchester. If possible, bleached goods should be packed in cases, and if this is not possible, then the packing should be in bales of water-proof hessian with an extra wrapper of thick grey T. cloth round the pieces. Each piece must be wrapped separately in glazed paper.

In dyed goods the same remarks generally apply as in the case of bleached goods. 50-60 yard pieces should be made instead of 24 yard pieces as at present. In dress materials variety of designs, finish and making-up are, if anything, more important than quality, though in the latter respect more attention might be given to the strength of the weft yarn used.

Sampling.—As compared with Italy and Belgium, India lags very far behind in the matter of sampling in fancy goods. It was a frequent complaint that many of the varieties and designs carried by the Mission had never been seen before in the Baghdad market, and merchants expressed surprise at the excellence and range of our samples. In order to make Indian goods better known in foreign markets it would seem advisable to adopt a system similar to that followed by the manufacturers in Italy, who supply new ranges of designs and qualities to their agents each year. These new designs and qualities are most attractively presented in booklet form. These booklets, in addition to giving a full width sample showing the quality and finish of the goods, contain cuttings of 20 to 40 different designs attractively mounted.

When an order is placed, the merchant selects the designs he requires from the pattern range and gives instructions regarding packing and the exact assortment of designs required per bale. Before each shipment, he receives a shipping sample and on delivery, a card showing the assortment packed in each bale.

Stamping and marking of goods.—The Indian practice of ticketing of goods is not followed by other countries and merchants prefer the Italian and English practice. Grey goods should not be ticketed at all, but should be stamped similarly to Japanese goods. The stamps used should be adapted to the market to which the goods are sent, the design of stamp should be simple and easily described, and recognised by the ultimate consumer, and, if possible, should have some special appeal to the people of the country to which sent; for example, the Date Palm or Ctesiphon Arch would be suitable stamps for 'Iraq. The yardage should always be stamped on the piece. If the name of the fabric is stamped on the piece, it should be in Arabic characters.

Dyed goods

Fancies.—90 per cent of the "Fancies" which we saw from other countries were made up rolled fold, and all the better classes of goods were separately wrapped in paper. On this paper wrapper the trade mark is either stamped, or a label is used. The trade number and the length in metres or yards are printed below the ticket. At the end of the piece a small cutting showing the design is attached.

Bleached goods.—Bleached shirtings are never ticketed and the heading is usually printed on, instead of woven into the piece. All shirtings bear a trade mark which is stamped in either gold or blue—gold being the more common—and below the trade mark the name of the importer or shipper is stamped in Arabic characters. In addition there are usually a trade number and a stamp showing the yardage of the piece. Tanjibs, which are always made up Nainsook fold, may have either a woven or a printed heading—printed headings are more common. A trade mark, the shipper or importer's name and the trade number are also stamped on the upper fold of each garment—but the figures of yardage are not stamped—and though or may be stamped on the piece in the usual place for yardage, the actual length is usually less than 18 or 19 yards.

Dyed goods.—The practice regarding stamping for dyed goods varies considerably, but ticketing of the actual piece is rare. If made up in paper, the wrapper bears a ticket or a stamp. Dyed black sateens and Italians are stamped similarly to bleached shirtings.

CHAPTER V.

The Cotton Goods Trade in Turkey.

Turkey with a population of over 13,000,000 people is a very large consumer of cotton piecegoods and is also a fairly large buyer of cotton yarns. In addition a little of the yarn trade for the Levant countries passes through the hands of Constantinople merchants, Rumania and Greece being particularly large consumers. In 1926 the total importations of cotton piecegoods and yarn amounted to £tq.72,000,000 which, at the current rate of exchange, works out at between £7·5 and £8·0 million sterling and the eight principal sources of imports were :—

	£tq. millions.
Italy	24·0
United Kingdom	18·2
Japan	5·7
Belgium	4·9
Germany	4·6
Czechoslovakia	3·6
France	3·6
Syria	3·2
TOTAL	67·8

These eight countries between them supplied 94 per cent of Turkey's requirements of cotton goods. The last year for which we could obtain detailed statistics of Turkey's imports was 1924, but as these were published in Turkish it has not been found possible to include them in this report. A little authoritative information as to the extent of yarn and piecegoods imported into Turkey is available in a report made by the Commercial Secretary to the British Embassy in 1927, from which the underquoted figures are taken :

Cotton yarns	1924 Value in £tq.	Percentage of total
Total imports from all countries	6,500,527	—
From Italy	2,294,349	39
„ United Kingdom	1,410,021	23·5

Both India and Japan have considerably increased their exports of yarn to Turkey and the Levant generally since that time.

Cotton piecegoods.—The most important classes of piecegoods imported are those coming under the tariff heading, Dyed and Printed Tissues and flannelettes, etc. The total imports in this section in 1924 amounted to £tq. 36·5 millions or 57·4 of the total imports of all cotton goods. Italy was the chief supplier, her sendings amounting to £tq.18·5 millions.

Types of Piecegoods and Yarns Imported

Grey cabots, grey shirtings and sheetings.

Country	1924 Value in £tq.	Percentage of total
Total imports from all countries	9,257,926	—
United Kingdom	3,284,380	35·5
Japan	2,413,455	26·1
United States of America	196,588	2·1
India	961,767	10·4

Bleached Goods.—The value of bleached goods imported in 1924 amounted in value to £tq.2,583,695, of which about 95 per cent were imported from the United Kingdom. The total imports of cotton yarns and piecegoods for the year 1924 were £tq.63·5 millions.

The position in regard to piecegoods generally has changed considerably since 1924. Japan has made great strides in the grey trade and has captured almost the whole of the market. Estimates made by leading merchants varied slightly, but the most authoritative estimate places the importations of Japanese grey sheetings at 15,000 bales per year.

In bleached and printed flannelettes and shirtings Italy has made progress at England's expense and there has also been some increase in the total importations from all countries owing to an increase in the purchasing power of the country and the more settled condition of the country generally.

Types of piecegoods and yarns imported into Constantinople.—The activities of the Mission, as far as Turkey was concerned, were confined to Constantinople, but as more than 72 per cent of the total of Turkey's import trade is now done through the port of Constantinople, the study of the cotton trade of that city gives a fairly accurate impression of the trade of the country as a whole.

Cotton yarns.—The total importations of cotton yarn into Turkey amount to between 20,000 and 25,000 bales per annum, about 75 per cent of which is in single grey yarns of 4s to 20s counts. The remaining 25 per cent is made up of—

(1) Folded grey yarn, of which the importations are 1,500 and 2,000 bales per annum, but are increasing considerably owing to the erection of a number of hosiery factories in the vicinity of Constantinople ;

(2) Bleached yarn, single and folded, of which the importations amount to between 500 and 1,000 bales per annum ;

(3) Dyed and Printed yarn, single and folded—imports about 2,000 bales per annum ;

(4) Mercerised yarns—imports about 400 bales per annum.

Single grey yarns.—The single grey yarns are imported principally from Italy, India and Japan, but, except in coarse waste yarns, Italy is losing ground to India. India supplies the bulk of the low counts imported, 4s—12s. Japan during the last three years has captured the bulk of the market for 20s yarn and is now sending between 3,000 and 4,000 bales of "Hinode" 20s yarn per annum to Turkey.

This yarn is somewhat superior in strength and colour to the Indian yarns which have up to the present been sent to the Constantinople market; but the price at which it was being sold on 10th March 1928 was between £33—10s and £34 per 400 lb. bale or at least £2 per bale higher than that at which Indian 20s could have been obtained on the same date.

In single grey yarns at least 25 per cent of the demand is for hard-twisted yarn and this trade is still largely in the hands of Italy. The demand for hard-twisted yarns extends also to Bulgaria and Rumania, these two countries consuming between them not less than 5,000 bales of hard-twisted yarn and 10,000 bales of water-twisted yarn of low counts per annum. Up to the present, the Turkish, Bulgarian, Greek and Rumanian markets for yarn have not received the attention which they deserve at the hands of Indian spinners. It is true that conditions of trade are somewhat difficult and that long credits have assisted Italy to retain a large share of the market, but, in counts up 20s, Indian prices are considerably lower than Italian prices, and a far greater share of the trade could probably be obtained by India if an energetic sales policy was followed.

In folded grey yarns there is also a possibility of India obtaining a greater share of the trade. In Turkey alone there is a trade of about 2,000 bales per year and the demand is increasing. The chief counts used are 2/20s and 2/30s and latterly a demand for 2/42s Japanese yarns has sprung up. Bleached yarns are at present chiefly imported from England, the chief demand being for counts from 16s to 24s. The annual demand is in the neighbourhood of 1,000 bales, but, in the absence of reliable data as to prices, it is difficult to estimate India's chance of entering the market. The demand for coloured yarns is met mainly from England. The total annual consumption is between 1,000 and 2,000 bales—chiefly low counts, singles and two-folds, between 20s and 32s. Further study would be necessary in order to estimate India's chance of competing.

Waste yarns.—Italy is still supplying the greater portion of the demand for low-quality waste yarns—a trade which amounts to about 2,000 to 3,000 bales per year. The qualities seen were much lower than those ordinarily produced by Indian mills in the same counts. The chief sales are in counts 2s to 4s.

Types of Piecegoods in demand in Turkey. Grey cabots.—Cabot is a name given in Turkey, and the Levant generally, to any class of plain-weave grey fabric of ordinary width and weight. Until 1922 or 1923 fairly wide varieties of widths, weights and textures of cabots were imported from England, Italy, Holland and America, but since the advent of Japanese 36" grey sheeting into the Turkish market, many qualities have completely disappeared and

a number of others are only saleable with great difficulty. It is reliably estimated that in 1927 the sales of Japanese grey sheetings were not less than 15,000 bales in Turkey alone. The same authority estimated the sales of all qualities of Japanese greys in Rumania, Bulgaria, Syria, Greece, Albania, Serbia and Palestine at 24,000 bales per year. Rumania used to be a much larger market, but the very heavy import duties imposed in 1926 to promote the domestic industry have very greatly reduced the demand from abroad. The greatest demand in Japanese grey sheeting is for Dai Nippon Lion CCC brand—36″ × 40 yards × 13/13½ lbs. It is usually supplied uncalendered. The annual sales of this brand amount to between 8,000 and 10,000 bales per annum in Turkey alone. It was selling at 16*s.* per piece, *c.i.f.* Constantinople—120 days' credit—on 17th March 1928.

Other popular brands of approximately the same weight, length and width are "Cat & Hat" brand and "Winged Boat" brand, of which the annual sales amount to between 2,000 and 3,000 bales per year. The prices for these two qualities are about 1*s.* per piece less than the price of Lion CCC brand. There are a number of other brands on the market, but the total sales of these do not amount to more than 1,000 bales per year. In addition to the demand for Japanese sheeting of 36″ × 40 yards × 13½ lbs. there is also a demand for a 36″ × 40 yards × 11 lbs. grey sheeting, which extends to between 1,500 and 2,000 bales per year. In this weight of grey sheeting the trade is divided between Japan and China, but Chinese mills have difficulty in competing, owing to the fact that China does not receive any preferential treatment in regard to import duties. Chinese goods pay the maximum import duty and Japanese the minimum. The difference between the two rates of duty in the case of 11 lbs. sheetings works out at between 1*s.* to 1*s.* 3*d.* per piece, which means that China has to quote much lower than Japan to compete.

The prices at which Japanese grey sheetings were being offered in Constantinople are somewhat higher than the prices in Egypt and the East African market, probably owing partially to the fact that Japan has no direct steamer connection with the Levant and partially owing to the fact that prices include 120 days' credit. The freight from Kobe to Constantinople is 84*s.* against 44*s.* from Bombay. The difference in freight gives Indian mills a benefit of about 6*d.* per piece and brings Indian mill prices nearer Japanese prices than in certain other markets.

As regards the question of freight, it is possible that the advantage which Bombay now holds may disappear in the near future, as negotiations are on foot for opening a direct service of steamers from Osaka to Alexandria, Constantinople and the Black Sea ports.

Bleached goods.—The bleached goods in demand in Turkey are of a type in which Indian mills cannot now compete. The trade is at present shared between England and Italy, England holding the greater portion.

Printed goods.—Although at present Indian mills are not equipped to compete in prints, it is worthy of note that this class of piecegoods constitutes one of the staple lines in the Turkish trade and that the total sales of prints of all kinds are probably between 300,000 and 500,000 pieces per annum.

The trade in printed flannels, velours and stencilled goods is particularly extensive and there is also a very large market for Manchester prints. The trade in prints is well divided between England, Italy, Germany, Czechoslovakia, France and Holland.

Zephyrs.—Zephyr shirtings in self colours, checks and stripes in low and medium qualities have a large sale in Constantinople in spring, summer and early autumn. Italy is at present the chief supplier and the qualities and finish in demand are the same as in Egypt. The Indian self-coloured zephyrs carried by the Mission were too low in quality to interest the market, nor was the finish suitable for Turkey. Widths in low and medium qualities are usually 26″-27″ and in this class of article it is the usual practice to make them up double fold with about 1″ inset. In the higher qualities of zephyrs, chiefly supplied by England, the width is usually 31″. The annual demand for zephyrs is about 50,000 pieces per year.

Bedouin shawls.—They are now being supplied entirely by Italian manufacturers. They come in four sizes—85 × 85 cms., 95 × 95 cms., 105 × 105 cms., and 115 × 115 cms., and in two qualities. They are made up in bundles of 12 pieces and 10 bundles are packed in one bale or case. There are usually 4 designs in each bundle equally assorted. The prevailing colours in this type of fabrics are always red, green, navy blue and white. They are sold by the square metre, not per piece. The annual sales amount to between 45 and 55 thousand dozens per year.

The Import Tariff on Cotton yarn and piecegoods.—Specific duties are levied on cotton piecegoods and yarns in Turkey according to the underquoted table. For all those countries which have concluded a commercial treaty with Turkey the actual duty payable is at present 5 times the basic duty in column 2 of the sub-joined table. In the cases of those countries which have not yet concluded a commercial treaty with Turkey, the import duty is 8 times the basic duty.

The Cotton Tariff.

Description of goods	Basic duty in piastres per 100 kilogs	Co-efficient applicable to India
	Piastres	
Cotton yarns—		
Single grey—		
(*a*) up to 14s	270	5
(*b*) from 15s to 24s	300	5
(*c*) above 24s	165	5
Grey folded yarn—		
(*a*) up to 14s	300	5
(*b*) From 15s to 24s	300	5
(*c*) Above 24s	180	5

Description of goods	Basic duty in piastres per 100 kilogs.	Co-efficient applicable to India
	Piastres	
Cotton yarns—*contd.*		
Bleached yarns, single or folded—		
(*a*) Up to 14s	330	5
(*b*) From 15s to 24s	360	5
(*c*) Above 24s	200	5
Dyed or printed yarns, single or folded—		
(*a*) Up to 14s	360	5
(*b*) From 15s to 24s	420	5
(*c*) Above 24s	240	5
Mercerised yarns, single or folded—		
(*a*) Up to 14s	450	5
(*b*) From 15s to 24s	600	5
(*c*) Above 24s	375	5
Yarn or sewing cotton on bobbins or spools—		
(*a*) On bobbins, including the weight of the bobbins	525	5
(*b*) In other forms	1,600	5
Cotton ropes and cabled yarn, including those for making fishing nets, etc.	600	5
Cotton piecegoods—		
(*a*) Grey—		
(1) Cabots, T. Cloths, waste cloth, grey twills, grey drills, shirtings, grey sheetings, cambrics, grey longcloth and other similar grey cloths, including flannelettes	400	5
(2) Gauge, Tulle, Muslin and similar transparent grey cloths	680	12
(*b*) Bleached—		
(1) Tanjibs of all qualities	450	5
(2) Mulls	450	5
(3) Tulle	1,320	12
(4) Napkins and handkerchiefs	700	5
(5) All other bleached goods such as white twills, white drills, white shirtings, white cambrics, white longcloths, madapalam calicoes and piques	560	5
(*c*) Hand towels, bed covers, battery wraps, grey, bleached and dyed	750	5
(*d*) Dyed or printed—		
(1) Fabrics of all kinds such as quilts, sheets, head coverings, carpets, etc.	1,880	5
(2) Dyed fabrics in the piece in one colour only, including flannelettes	500	5
(3) Fabrics, not elsewhere specified, dyed or printed, embroidered or figured such as cretonnes, rops, quilts and similar fabrics with floral designs or made from coloured yarns, including printed flannelettes	560	5
(4) Bleached, printed or dyed cloths, containing metal yarns	600	5

In addition to the ordinary import duty there is a consumption tax on cotton goods equal to the basic duty. On a piece of Japanese or Indian grey sheeting the import duty payable would be 5 × 400 piastres per 100 kilogs. no matter what the quality. Reckoning the value of the piastre at 936 per £1 sterling, its average value in 1926, the duty would work out at about 2·3 pence per lb. On a piece of sheeting, 36 × 40 × 13½ lbs., the duty would, therefore, be about 2*s.* 7*d.* and the consumption tax would be one-fifth of that amount. Though the above duties are not particularly high, compared with other countries in the Levant, the Turkish Government have embarked upon a policy which has for its end the development of local industries and it is probable that in September 1929, when the Treaty of Lausanne comes to an end, the duties on grey yarns capable of being manufactured in Turkey and grey cotton goods of all kinds will be very materially increased.

Storage in Bond.—The charges levied for storage in Customs depôts are low and this has caused merchants, who have no immediate need for goods, to keep them in the Customs depôts as long as possible before clearing, with the result that the Customs depôts have in reality become bonded warehouses. To prevent this a law has recently been passed, under which goods not cleared in twelve months are sold to the highest bidder and the proceeds of the sale are appropriated by Government. This sometimes reacts upon the exporter, who has probably sent his documents to the banks and has not been paid.

Landing charges.—The Constantinople Port Monopoly have a tariff based on goods, reaching their owners in three days. At periods of congestion there are considerable delays and at such times the charges are heavy, as the consignee is charged for the whole of the period taken to clear the goods. It is understood that, during the last twelve months, there has been a considerable improvement in the matter of clearing and that goods are being cleared now in three to four days. When this is done the landing charges are relatively low.

Freights.—It was not found possible to obtain the Italian freights to Constantinople, but they are considerably below 20*s.* per ton, which gives Italian manufacturers a very considerable help when competing against England, India or Japan, from which places the freight rates are 60*s.*, 44*s.* and 84*s.* respectively.

Trade Marks.—Registration of proprietary Trade Marks can be effected in Turkey through the firm of Messrs. Stock and Mountain, Patent Agents, Medhal Pasha Han, Stamboul. The existing law dates back to 1880 and registration is nominally conditional on residence in the country. A new draft law is at present being considered by the Turkish Assembly, and this will bring the present law into line with the International Convention for the protection of foreign Trade Marks.

Methods of business, system of distribution, credits, etc.—Between August 1922 and December 1923 more than 1,000,000 Greeks and Armenians left Turkey. While these did not represent more than 8½ per cent of the total population, their departure has seriously affected the trade of the country, owing to their relatively large purchasing power and also owing to the fact that they largely controlled the distribution of piecegoods and yarn in the

interior. The organisation of purchase, sale and distribution which they had built up has not yet been adequately replaced, as far as the trade in cotton goods is concerned, and the Turkish merchants who have taken their places have not yet had a very wide experience of the textile trade, with the result that, during the last few years, there have been a large number of failures brought about by over-stocking, undue optimism and the purchase of unsuitable goods. Among those who left Turkey during the exodus of the Christian population were a considerable number of the leading and financially strong cotton goods importers in Constantinople. When they left, they either liquidated their business entirely or continued it on a reduced scale through their representatives, while those who remained have been forced to adopt a very cautious policy owing to the partial disintegration of their system of distribution and sale in the interior.

The result of all this has been that the cotton goods trade of Turkey is on a much less secure foundation at present than before the war, and the lack of finance amongst new merchants has increased the demand for accommodation in regard to payment to such an extent that anything less than 90 to 120 days' credit is the exception rather than the rule. The country which has accommodated itself most fully to the new conditions has undoubtedly been Italy and the biggest sufferer has been England, who before the war practically controlled the piecegoods trade through the medium of Greek and Armenian merchants, who usually maintained branch offices in London or Manchester, through which they bought their entire requirements of piecegoods and yarns.

The business of the United Kingdom is at present being done chiefly through the medium of the few large British firms of importers in Constantinople, Jewish firms, and commission agents.

Italian methods.—Even before the war Italy was becoming a keen competitor with Great Britain and since the armistice she has taken over a large portion of the trade previously controlled by England and Germany. Her chief strength is at present in the cheaper grades of printed flannelettes, shirtings, zephyrs and trouserings. Most of the large Italian firms have their own branches in Constantinople—the remainder are represented by agents of various nationalities. In both cases the representatives in Constantinople are given wide powers as regards the granting of facilities to wholesale merchants, on whom frequent calls are made. The usual credit allowed by Italy is 120 days, the credit dating from the date of acceptance of the goods by the wholesale merchants. The manufacturer apparently relies entirely upon his agent, and invoices, drafts and bills of lading are often sent to him to avoid paying banking commission. There has recently been an attempt to reduce the credit allowed to merchants both by banks and Italian importers, but it will take some time to bring it to lower levels. In addition to their system of granting extended credits, the trade in Italian cotton goods has been assisted by their willingness to meet the demands of the market as regards quantities and by allowing a very large range of designs in comparatively small lots. Another factor which has helped the off-take of Italian goods is the excellence and generosity of sampling, and close attention to and study of

the needs of the market in regard to design, finish and packing. Until 1926 Italian manufacturers secured an additional aid in the form of a falling lira exchange, but serious losses had to be faced as the lira rose in value, and quotations from Italy are now always made in sterling.

Japanese methods.—The Japanese methods of penetration into the market have been quite different from those of Italy; Japan has not attempted to introduce a multitude of qualities and designs into the Turkish market, but has concentrated on a few standardised lines of greys with which she has captured the trade because of their low price. The same remark applies, but with slightly less force, to yarns. Most of the Japanese business in Turkey is done through two or three large firms of unquestionable financial standing. Payment by letter of credit, payable at 120 days' sight in London is insisted on, and quotations are always made in sterling.

German, Belgian and Dutch business methods closely resemble those of Italy, as far as credit is concerned, but none of these countries have so complete an organisation in Constantinople as that possessed by Italy.

India has so far been chiefly concerned with the yarn trade with Turkey and has usually insisted upon payment by cash against documents. Few Indian mills have agents in Constantinople, however, and the bulk of the trade in yarn with the Levant has hitherto been done by yarn merchants and shippers in Bombay, and a question which often had to be answered by the Mission was whether mills in Bombay would be willing to do direct business. From the foregoing paragraphs it is possible that the conclusion may have been formed that the granting of credit in Constantinople is fraught with undue risks and perhaps it ought to be made clear that provided the parties with whom business is done are carefully chosen, the risks are not unduly large and the losses suffered by Italian manufacturers owing to non-payment for goods supplied have been comparatively small in the last few years. The commercial morality of the business community as a whole is stated to be high and the demand for credit is, to some extent, accounted for by the fact that the importer has in his turn to give long credit to customers in the interior. The new law of bankruptcy is exceptionally severe and acts as a deterrent against overtrading or fictitious bankruptcy.

Methods by which Indian business might be increased.—Speaking generally, what is chiefly needed to increase India's share in the cotton goods trade of Constantinople is closer touch with the market.

Italian methods should be followed, as far as possible, with the exception that less generous credits should be allowed to buyers. The extent of the trade particularly in piecegoods, which Indian mills could hope to capture would probably not justify the expense of special permanent representatives being sent to the market by individual mills, but a well-qualified technical man might possibly be sent on behalf of a combination of mills to study the markets in the Levant in greater detail than was possible for the members of the Mission and to report on the most suitable selling organisation for the Levant.

Suggested Methods of Business

It cannot be too clearly impressed upon Indian mills

(1) that Constantinople has for many years been a close preserve for European countries, and that there is a pre-disposition to trading with Italy, Germany, Austria and Great Britain, because of long-established relations;

(2) that styles and qualities must be adapted to suit local requirements;

(3) that there is a general demand for long credits;

(4) that quotations must be given in sterling c.i.f.

CHAPTER VI.

SYRIA.

Commercial Summary.

Area.—60,000 sq. miles.

Population.—2,000,000 approximately.

Language.—The prevailing language is Arabic, but the official language and the language of commerce is French. Those merchants who have had long business connections with England can usually carry on correspondence in English also.

Monetary Units.—One Syrian pound which is exchangeable in Paris at the fixed rate of 20 francs to the pound. £1 Syrian = 100 piastres = 2,000 centavos. Taking £1 sterling = 124 francs, £1 Syrian = 38·7 pence =R 2/2·4 annas (at 1*s.* 6*d.* per rupee).

Weights and Measures.—The metric system is in use in commercial transactions, but the local weights are :—

1 *Okkia* = 0·468 lbs.
6 *Okkias* = 1 *Oke* = 2·82 lbs.
2 *Okes* = 1 *Rotol* = 5·64 lbs.
200 *Okes* = 1 *Kantar* = 564 lbs.

The weight of the *Rotol* varies in different parts of the country. In Aleppo 1 *Rotol* is equal to 6·75 lbs., while in Homs it is equal to 6 lbs.

Summary of Foreign Trade.

In £1,000 sterling.

——	1924	1925	1926	1927
Imports.	6,425	7,868	10,219	10,413
Exports and Re-exports . . .	2,741	3,707	4,394	4,358
TOTAL .	9,166	11,575	14,613	14,771

General.—Syria is the country, north of Palestine, bounded by 'Iraq on the east, Turkey on the north and the Mediterranean Sea on the west. It is under the French mandate. The majority of the people are of Arab origin, but there are also many other races represented, such as Turks, Jews, Armenians, Persians, Kurds, etc., together with a fair influx of Europeans. It is an agricultural country and the chief products are cereals, such as wheat, barley and maize, olives, silk, cotton, oranges and grapes. The country is not yet developed industrially except on a very small scale in silk thread, oil and soap manufacture.

The currency is a little complicated owing to the frequent use of the various neighbouring foreign currencies with very similar names. The units are given above, but another unit has been introduced and is used in the Syrian Government statistics for 1927. This unit is the Piastre Libano Syrian gold and 1 Piastre Libano Syrian gold equals 1 French franc, so that at present 124 Piastre Libano Syrian gold is equal to £1 sterling. As the exchange value of the French franc has been fairly steady in relation to gold for some time and is now fixed in relation to gold, this Libano Syrian Piastre gold is now also fixed in relation to gold.

Foreign Trade.—A summary of the values of the imports, exports and re-exports for the last four years has been given above. It will be seen that value of the imports greatly exceeds the value of the exports and the large development works in hand at present together with the requirements of the army of occupation are probably responsible, to some extent, for this wide difference.

In the year 1927 the value of the total foreign trade of Syria was approximately £14,771,000 sterling, the value of the imports into Syria being £10,413,000, while the exports and re-exports amounted to £4,358,000.

Exports and Re-exports from Syria.—In 1927 the value of the exports of Syrian produce was £3,519,000 sterling and of this the exports to India were only valued at about £2,000. The total re-exports of foreign merchandise from Syria in the same year amounted to £840,000 sterling and the quantity shipped to India was negligible.

Among the exports and re-exports the principal items were as follows :—

Cotton, cotton piecegoods and thread.

Wool.

Live animals.

Raw silk.

Silk mixture textiles (from Damascus).

Butter.

Wearing apparel (re-exported from Beyrout).

Silk cocoons.

Dried skins.

Fruits and nuts.

Olive oil.

The cotton piecegoods are largely re-exports. None of the above-mentioned commodities can be of much interest to India from the point of view of an import trade from Syria. The fruits are excellent, in fact the oranges are probably among the finest in the world, but Syria is so comparatively near to the London and Continental markets that the prices are not such as to offer any prospect of trade with India. The seasons also are very similar and fruit from Syria to India would have to be placed on the market here in competition with the local product. There do not appear to us to be any prospects of developing a large export trade from Syria to India.

Imports into Syria.—The total value of the imports into Syria in 1927 was £10,431,000 sterling and India's share in this trade amounted to £273,000 sterling, according to the Syrian statistical returns. The items of chief importance in the import trade of Syria are cotton goods including cotton yarn, wool and silk textiles, cereals, animals, timber, glass, porcelain, iron and steel manufactures, machinery, mineral oils, colour, paints and chemicals. India's principal exports to the country are :—

Cotton goods.
Leather.
Spices.
Natural dyes.
Wheat and wheat flour.

Cotton goods.—This is the only item of any considerable magnitude in the import trade of Syria from India. This trade and the possibilities are dealt with in detail in the next chapter.

Unfortunately the Syrian statistical returns do not give details of the countries of origin of the imports and it is only by having recourse to the Indian statistics that an idea of India's share of any particular trade can be obtained.

Leather.—In 1927 the total value of leather and dressed skins imported into Syria was £235,000 sterling, while in the year 1926-27 India only sent leather to Syria to the value of £8,000. As in 'Iraq, the quality of leather required can be met by India and the price is also competitive. There seems, therefore, to be a possibility of increase in this trade.

Spices.—From the Indian statistics, the export of spices, cardamoms, ginger and pepper to Syria from India has been increasing gradually in quantity and value during the last five years. The value in 1926-27 reached a total of ¾ lakh of rupees. No statistics are available of the total imports of spices into Syria and it is, therefore, impossible to calculate India's share of the total trade.

Natural dyes.—Similarly in this class all that can be said is that India sends a small and variable quantity of such natural dyes as indigo and turmeric to Syria. The total value in 1926-27 was only Rs. 70,870.

Cereals and their products.—In spite of the fact that Syria is an agricultural country, she imports a large quantity of cereals and products thereof. The total value of the imports under this head in 1927 was £1,029,000 sterling.

The class includes wheat, barley, rice and wheat flour, etc. At various times India has entered into the trade spasmodically. She sends very small quantities of pulses and rice and in the year 1925-26 she exported to Syria wheat to the value of over R8 lakhs, while in 1926-27 she sent none. In 1924-25 she sent wheat and wheat flour valued at R1,39,000 and R1,01,886 respectively. There is no doubt that with a certain amount of active cultivation the Syrian market for cereals and flour from India could be extended.

Tea and Jute manufactures.—There is not very much tea consumed in Syria; coffee is the more popular beverage. The jute bags required for the agricultural produce are obtained largely as re-exports from Alexandria.

Import Tariff.—The tariff schedule is complicated; (1) there is a normal import tariff for the products of countries which are members of the League of Nations, or which enjoy the advantages of certain definite decisions; (2) there are special duties conceded to the products of certain countries, as a result of commercial treaties; (3) there is a maximum tariff for the products of all other countries, not included under (1) and (2) above.

India as a member of the League of Nations enjoys the advantages of the normal tariff.

	Per cent *ad valorem.*
Wheat, barley, millet, rice, flour	11
Pepper, cardamoms, ginger	25
Tea	25
Leather	25
Timber for construction	11
Cotton goods	see page 77
Natural dyes	25 per cent *ad valorem*

Chief towns.—The chief towns are (1) Damascus, (2) Aleppo, (3) Beyrout, (4) Tripoli. Damascus is the capital and is situated on the edge of the desert, which lies between Syria and Baghdad. Beyrout is the chief port, and the harbour is well sheltered; the equipment is fairly modern and various shipping companies have regular services to Beyrout from Alexandria and other ports on the Levant. Aleppo is the most important trading centre in Syria and is situated in the northern portion of the country.

Railways.—Considering the relatively small size and the difficult nature of the country, it is well provided with motoring roads and railways. The principal railways are (1) Beyrout to Damascus, 91 miles; (2) Rayak to Aleppo, 206 miles; (3) the branch line from Homs to Tripoli, 64 miles; (4) Beyrout to Mameltein, 11 miles; and (5) Damascus to El Hamme, 120 miles.

When the Mission visited Syria in February of this year, the line from Damascus to Beyrout was blocked by snow and this is a frequent occurrence in winter. There are also private motor services across the desert from Damascus to Baghdad, but when the Mission traversed this area, conditions on the desert were somewhat disturbed. The distance from Baghdad to Damascus by the desert route is about 560 miles, which can be covered in 24 hours with two short halts for lunch and dinner.

Banks.—The principal bank is the Bank of Syria. It is responsible for the currency issue and is under the control of the French Treasury.

Altogether there are no great possibilities of increasing the trade from Syria to India, while, in the opposite direction, *viz.*, from India to Syria, the only potential lines of increase are leather, cereals and flour.

CHAPTER VII.

SYRIA.

The Cotton Goods Trade of Syria.

Cotton piecegoods.—In the customs statistics for the mandated territory of Syria the quantities of cotton piecegoods imported are recorded in kilograms and the values in Syrian gold piastres. [a] For purposes of convenience an approximation of the yardage of piecegoods imported in 1927 has been made. Yardage have been calculated on the basis of 8·5 yds. per kilog. for all classes.

Imports of cotton piecegoods into Syria in 1927.

Class of piecegoods	Imports in 1,000 yards	Per cent of total
Grey	18,816	31
Bleached	13,280	20
Printed	9,670	15
Dyed in the piece	10,584	16
Dyed in the yarn	13,575	20
TOTAL OF CLASSES	65,925	100

The total value of these imports in sterling amounted to approximately £2,764,000.

Re-exports.—Out of the total imports, about 10 per cent was re-exported chiefly to Turkey (Anatolia).

Particulars are not available as to the importations of each class from particular countries, but taking cotton piecegoods as a whole, the shares of the trade held by the chief supplying countries were approximately as below in 1927. Italy 35 per cent, France 12½ per cent, England 12½ per cent, Belgium 9 per cent, Egypt 23 per cent, other countries 8 per cent.

The large share of the trade held by Egypt (23 per cent) is almost entirely due to her large transit trade in Japanese grey sheetings, T. cloths and striped drills.

Grey goods.—Grey goods constituted 31 per cent of the total demand for piecegoods in 1927. They consisted chiefly of 36″ × 30 yds. × 10 lbs. Japanese grey sheetings, Japanese T. cloths 28″-30″ × 24 yds. × 6 lbs. to 8 lbs. and Manchester grey calicoes in widths from 24″ to 43″ of a somewhat finer texture than the T. cloths from Japan. The sales of Manchester grey calicoes have latterly been seriously affected by the competition from Japanese 8 lb.

T. cloths. In addition to 36″× 10 lbs. grey sheetings, the Japanese have also obtained a market in Syria extending to between 1,000 and 2,000 bales per year, for heavy weight sheetings, 34½″× 40 yds.× 16 lbs.

Japanese 10 lb. sheetings.—The most popular brand of 10 lb. grey sheetings imported into Syria is probably the Cat and Hat Brand. Early in March it was selling at 10*s.* 8*d.* to 11*s.* per piece, c.i.f. Alexandretta, Tripoli or Beyrout, but prices later in the month rose to 11*s.* 3*d.* Even at this higher price it was at least 10 per cent below the prices which India is at present able to quote for an exactly similar cloth, and India is, therefore, out of the market under present conditions. Other popular brands of 10 lb. grey sheetings are Kanegafuchi, 9 Dragons and Toyo-Dragon (C). The former sells at about 6*d.* per piece higher and Dragon 'C' 3*d.* per piece higher than Cat and Hat.

The sales of all qualities of 36″× 30 yds.× 10 lbs. grey sheetings in 1927 were in the neighbourhood of 6,000 bales in Syria alone, and are increasing fairly rapidly.

T. Cloth and Domestics.—Until two or three years ago, England practically controlled the markets in Syria and Asiatic Turkey in T. cloths and grey galicoes, but the position is rapidly changing to Manchester's disadvantage and Japan's gain.

Bleached goods.—In bleached goods Manchester has at present the greater portion of the trade, her only serious competitor being Holland in the better classes of bleached shirting and Italy in the lower and medium classes.

In the bleached goods trade the articles chiefly in demand are shirtings 32″-40″ wide, of a quality and texture closely approximating to those in Egypt, *viz.*, madapolams and tanjibs.

Printed goods.—The market in prints of all kinds is about 10 million yards per year and at present, supplies are chiefly drawn from Italy and England, though competition has latterly sprung up from Czechoslovakia. Indian mills are not at present equipped to compete in prints.

Dyed goods.—Dyed goods represent about 16 per cent of the annual demand for piecegoods in Syria—10½ million yards in 1927. The range of piece-dyed goods imported is large, but the most important lines are cheap heavy-weight khaki, blue jeans, American voiles, and dyed red and black shirtings and Italians. The qualities in demand closely resemble those imported into Egypt, and Indian mills could probably compete in red and black dyed shirtings of low quality and in dyed drills and jeans.

Woven coloured goods.—The popularity of woven coloured goods is rapidly increasing in Syria, more especially in lines such as woven zephyrs, artificial silk striped dress materials, art silk trouserings and cotton trouserings. The total importations of woven coloured goods in 1927 were between 13 and 14 million yards or 20 per cent of the total market for cotton piecegoods.

Woven zephyrs.—There is a comparatively large trade in woven zephyr shirtings from 30,000 to 40,000 pieces per year. The best qualities are imported from France, the medium qualities from England and Italy and the lower

qualities from Italy. In superior qualities widths vary from 29″ to 31″, in medium qualities from 26″ to 29″ and in low qualities from 25½″ to 27″ and are often woven "split."

Artificial silk trouserings and dress materials.—Artificial silk trouserings and dress materials are at present extremely popular in Syria and the Levant generally. The bulk of the demand is met by Italy and Belgium. Widths vary from 25″ to 29″ and large check patterns are more popular than stripes.

Cotton trouserings.—Italian and Belgian double-width cotton trouserings find a ready sale throughout Syria. The lower qualities are chiefly supplied by Belgium. A waste weft is used and the warp is heavily sized.

Cotton yarn—Imports of cotton yarns into Syria in 1927.

Type of yarn	Quantities in 1,000 lbs.
Grey	5,282
Bleached	497
Dyed	392
Mercerised	132
TOTAL	6,303

From India's point of view Syria is at the present time far more important as a consumer of yarn than as a consumer of piecegoods. It is impossible, either from the Syrian or the Indian statistics, to state with certainty what India's share of the yarn trade really is for the reason that the Syrian statistics do not contain any information as to the country of origin of the yarn imported and the export figures given in the Indian statistics do not of course contain any record of the Indian cotton yarn sold to Syria by Egyptian merchants in Alexandria. From information supplied by merchants in Beyrout and Aleppo it may, however, be assumed that India's share of the trade in grey yarns in 1927 was between 50 per cent and 70 per cent of the total. The remainder of the demand for greys is shared between England, Italy and Japan, England supplying the fine counts, *i.e.*, above 40s, Italy the grey waste and hard-twisted yarns and Japan the 20s grey singles and 2/42s. Japan's hold on the market is increasing at the expense of India, and she now supplies not less than 2,000 bales of "Hinode" 20s yarn per year to Syria alone. Although slightly higher in price than Indian yarn of the same count, "Hinode" is preferred because of its greater strength and cleaner appearance.

The chief counts of grey yarn exported by India to Syria are 6s, 8s, 10s, 12s and 14s. The above table indicates the demand for bleached, dyed and mercerised yarns. Indian mills are not equipped to produce mercerised yarn, but in bleached and dyed yarns Indian mills should be able to compete, as the counts in demand are similar to those produced for the Indian market.

The Import Tariff on cotton yarns and fabrics.—The following table extracted from the "Tarif des douanes," issued by the Haut Commissariat de

la Republique Française in February 1927 shows the import duties payable on the chief types of cotton yarn and piecegoods imported into the mandated territory of Syria.

COTTON TARIFF.

Item in Schedule.	Description of merchandise.	Unit.	Normal Duty.
			Per cent.
179	Grey cotton yarns	*ad valorem*	15
180	Bleached cotton yarns	„	15
181	Dyed cotton yarns	„	15
182	Mercerised cotton yarns	„	15
184	Grey cotton piecegoods	„	20
185/188	White cotton piecegoods	„	20
189/190	Cotton piecegoods dyed in the piece	„	20
191/193	Printed piecegoods	„	20
194/196	Cotton piecegoods dyed in the piece	„	20
196A	Shawls and handkerchiefs	„	20
202*a*	Cotton and art silk goods, containing less than 15 per cent art silk	„	20
228	Art silk piecegoods	„	25

Transit duties on cotton yarn and piecegoods.—To facilitate trade with Turkey (Anatolia), which in the case of cotton yarn and piecegoods is considerable, an arrangement has recently been arrived at between the Turkish and Syrian Governments, which permits goods imported through Alexandretta and destined for consumption in Turkey to be admitted into the port of Alexandretta on payment of a transit duty of 1 per cent. only. This arrangement has been of considerable benefit to Aleppo, which from ancient times has been one of the chief supplying and distributing centres for Anatolia. At Beyrout imports of cotton piecegoods and yarn have also to pay Municipal dues, landing charges, port dues, porterage and stamp duties, and, in all, these add from 1 per cent, to 1½ per cent to the c.i.f. value of the goods in order to place them in the local store.

Chief centres of the trade in cotton goods.—The chief centres of trade in Syria at the present time are Beyrout, Damascus and Aleppo. From the point of view of yarns Aleppo is considerably more important than either Beyrout or Damascus, owing to its being the centre of an important local handloom weaving industry and a distributing centre for yarn and cloth for Anatolia. The natural port for Aleppo is Alexandretta, but a considerable portion of its supplies are now drawn from Beyrout, which has increased in

importance since the war. One of the chief reasons for Alexandretta's decline as a port for Aleppo is that the railway from the port passes in and out of Turkish territory, but a system of sealing wagons has lately been introduced and it is possible that Alexandretta may once more become the importing point for Anatolia. The importance of Aleppo, as far as yarn is concerned, may be judged from the fact that not less than 50 per cent of the total yarn importations into Syria are bought by two or three large merchants of Aleppo. A considerable trade is also done in piecegoods of low qualities. The present annual consumption of some of the chief lines are—

Manchester grey calicoes . . .	60,—70,000 pieces per year (24 yds. per piece).
Japanese grey sheetings and T. cloths	60,—80,000 pieces per year (20 yds. per piece).
Manchester prints	30,—35,000 pieces per year (20 yds. per piece).
Bleached shirtings	40,000 pieces per year (40 yds. per piece).
Other piecegoods	60,—80,000 pieces per year.

Aleppo is also the centre of an important cotton-growing district—the crop in 1926 amounted to 4½ million lbs. Though of short staple, it is of good colour and is purchased freely by Italy and might be of interest to Indian spinners. A range of sample has been sent to the Millowners' Association for further investigation.

Beyrout.—Beyrout has now become the chief distributing centre for the Lebanon and Southern Syria for European piecegoods, but is not of great importance, so far as yarn is concerned.

Damascus.—Damascus is the centre of a large consuming area, but draws the bulk of its supplies from Beyrout. The number of direct importers of piecegoods is small. It is a fairly important consumer of yarn, but, as in the case of piecegoods, supplies are usually obtained from Beyrout merchants and direct importations are the exception rather than the rule.

Methods of business—Credit terms, etc.—British methods.—England has a long established trade with Syria in cotton piecegoods, but she has lost ground during recent years, to both Italy and Japan. The trade with England is usually conducted by Syrian merchants established in Beyrout or Aleppo through the medium of branch offices in Manchester. Travelling representatives of British firms in Egypt also make periodic calls on importers, and there is also a certain amount of direct business in standard lines. While some British exporters have of late granted one or even two months' credit to importers, the majority have up to the present been averse to allowing credit except on rare occasions and in the case of old and well-known clients of first class standing.

Italian methods.—Italy's trade with Syria has been largely built up on a credit basis. Two, three and even four months' credit is given according to the standing of the purchasing firms. If payment is made against documents, then a discount of 3 per cent to 5 per cent is almost invariably allowed. The larger groups of Italian manufacturers maintain sole agents in all the important centres of trade. When business is done through a sole agent, the goods are sent to him on company's account, and a stock of 300—400 bales is kept in the agent's warehouse, insurance charges being paid by the company. Very full powers as regards the financing of sales are allowed to

the agent. The agent's commission varies from 3 per cent to 4 per cent in the case of cloth and is 2 per cent in the case of yarn. Out of this the agent provides a depôt for stocks, keeps accounts and pays his own telegraph charges. In addition to the business done through agents quite a large amount of business is done through commercial travellers, who visit the markets in Beyrout, Aleppo and Damascus four or five times a year, spending enough time in each place to enable them to get to know the exact needs of the market as regards designs, colourings, etc. These travellers carry with them up-to-date ranges of samples and have authority to book orders on the most favourable terms possible. This exceptionally close contact has undoubtedly assisted Italian trade very considerably. It is open to question, however, whether the same progress would have been possible without extended credits and cheap freights. Belgian, French and Czechoslovakian methods are similar to those of Italy.

Japanese methods.—No Japanese firms are directly represented in Syria and purchases of Japanese goods are usually made through the medium of merchants located in Alexandria or Constantinople. Payment by irrevocable letter of credit is usually insisted on in all direct business with Japan or Japanese houses in Egypt or Bombay, but when business is done through Alexandrian merchants, facilities in regard to payment are not uncommon. The great popularity of Japanese cloths sold in Syria is almost entirely due to the low prices at which they are offered. These prices during the last two or three years have been anything from 10 per cent to 20 per cent below those of other suppliers.

CHAPTER VIII.

EGYPT.

Commercial Summary.

Area.—400,000 square miles (approximate), of which only about 13,000 square miles is capable of being cultivated.

Population.—14,000,000 (approximate), of which about 160,000 are Europeans.

Language.—Arabic. English, French, Greek and Italian are also much used in business and almost all Egyptian firms can deal with correspondence in English.

Monetary Unit.—£E (The Egyptian Pound)= 100 Piastres tariff (P.T.) = 1,000 milliemes = £1 0*s.* 6¼*d.*

Rate of Exchange.—£1 sterling = 97¼ P.T. on the average. The exchange is fairly steady at present.

Weights and Measures—

1 *cantar* = 100 *rotls* = 99·05 lbs.
1 *cantar* of unginned cotton = 315 lbs.
1 *cantar* of ginned cotton = 100 lbs.

The *ardeb* is a measure of volume.

1 *ardeb* = 43·45 gallons or = 5·44 bushels.

The ardeb is used as measure for grain and the equivalent weight of grain varies with the type—

1 *ardeb* of wheat = 150 kilogs.
of barley = 120 kilogs.
of beans = 155 kilogs.
of maize = 140 kilogs.
of lentils (whole) = 157 kilogs.
of lentils (split) = 132 kilogs.

1 *ardeb* of cotton seed = 267 lbs.
1 steam pressed bale of cotton = 7·75 *cantars.*
1 hydraulic pressed bale of cotton = 8·50 *cantars.*

Total Trade—

Total Imports for 1927 = £E 48,685,000.
Total Exports for 1927 = £E 48,340,500.

India's share in this trade was as follows :—

	£E
Total Imports from India 1926	2,169,000
Total Imports from India 1927	1,674,000
Total Exports to India 1926	513,700
Total Exports to India 1927	636,700
Total transit trade from India 1926	198,000
Total transit trade from India 1927	7,500

General Economic Conditions of Egypt.—When the Mission visited Egypt in the early spring of this year there was a general tendency for authoritative opinion to incline to the conclusion that the worst of the economic depression,

from which the country had been suffering since 1926, had passed. During the time of stress a good many firms had gone to the wall, but, as in other countries which had also been suffering from bad trade, the tightening up of credit and the limiting of business activities to legitimate trading had produced beneficial results, which were being reflected in the return to more normal conditions. For the year 1927 Egypt's foreign trade (excluding specie) worked out as follows :—

	£E
Imports	48,685,128
Exports	48,340,503
Re-exports	1,369,651
Favourable trade balance	1,015,026
Total foreign trade	98,385,282

These figures compare favourably with the corresponding figures for 1926 which were as follows :—

	£E
Imports	52,400,059
Exports	41,759,391
Re-exports	1,371,055
Unfavourable trade balance	9,269,613
Total foreign trade	95,530,505

As is well known, Egypt's chief crop and chief export is cotton. In the year 1927 raw cotton accounted for £E39,000,000 in the total export figure of £E48,340,503. Egypt is, therefore, closely bound to the fortune of cotton as a world commodity and her prosperity depends on the return which her cotton crop brings her. In consequence of the restriction of the area under cotton ordered by the Egyptian Government, the crop for the current season is much less than that of the previous year. Although there have been considerable fluctuations in the price of cotton during the season, the prices in general have been advantageous to the producers and in consequence the economic position of Egypt had improved quite definitely in the half-year prior to the visit of the Mission to that country. This intimate connection between the prosperity of Egypt and the world prices of cotton is fully realised and active steps are being taken to encourage a greater diversification of crops and also to encourage the development of industries within the country. This latter plan includes the encouragement of spinning and weaving locally.

Trade between India and Egypt.—During the past six years the total trade between the two countries has grown in value by about one million pounds from a figure of £E1,400,000 in 1922. India exports more to Egypt than she imports from that country. In recent years the annual value of the exports from India to Egypt has been in the region of two million pounds sterling, whereas the imports from Egypt have varied widely in total value, but, for 1926 and 1927, have been about £E500,000 and £E600,000.

Exports from Egypt to India.—The annual values of the export trade from Egypt to India for the last five years are as follows :—

Year	1923	1924	1925	1926	1927
Value in £E	184,195	206,201	50,863	505,118	636,720

The principal commodities in this trade are very few in number and these are (1) common salt, (2) raw cotton, (3) gold and silver bullion, (4) cigarettes and (5) almonds.

Common Salt.—The export trade to India in common salt is one of long standing and in quantity is fairly steady, amounting to about 120,000 tons per annum. India's principal salt supplying countries are Aden, Egypt and the United Kingdom in that order of importance. India usually takes from 500,000 to 600,000 tons of salt each year, so that Egypt has about one quarter of this trade. It is very conveniently placed geographically in relation to India and being on the direct line of outward bound streamers, which frequently have cheap freights available, the salt trade to India will continue to prosper. In 1927 the quantity of salt exported from Egypt to India was 139,000 tons valued at £E20,900.

Raw Cotton.—There is a relatively small and somewhat variable export trade in raw cotton from Egypt to India. As the quality of Egyptian cotton is very high, it is hardly to be expected that the trade would be large, but, with cotton mills in India tending to finer manufactures, an increase may be expected in the future. The value figures for the cotton exported to India during the last five years are as follows :—

Year	1923	1924	1925	1926	1927
Value in £E . .	77,200	87,792	18,398	17,170	67,736

It was known that a certain quantity of Egyptian cotton was also being imported by India from Liverpool and, while in Alexandria, the Mission took the opportunity of placing two of the largest cotton merchants in Alexandria in touch with those mills in India which are using some Egyptian cotton, with a view to direct sale to them. One of these firms Messrs. Carver Bros. despatched a full range of " types " to the Bombay Millowners' Association.

Gold and Silver Bullion.—The trade in gold and silver bullion is not a regular trade. In 1927 gold bullion to the value of £E430,000 and silver bullion of value £E26,800 were despatched to India. The details of the figures for 1927 were not available for separate countries before the Mission left Egypt, but from the total figures it is probable that the trade in gold and silver bullion to India in 1927 was of the same order of magnitude as in 1926.

Unmanufactured Tobacco and Cigarettes.—There is a small but steady trade in Egyptian cigarettes to India of an annual value of about seven or eight thousand pounds Egyptian. The trade in unmanufactured tobacco is smaller and more irregular and, between these two items, the total trade has a value of about £E10,000. It is a luxury trade for which the Europeans in India are mostly responsible and it is not probable that any great increase in it will take place.

Almonds.—There is also a small and somewhat variable trade in almonds to the extent of a few thousand pounds in value from Egypt to India.

Onions.—Onions form one of the principal crops in Egypt and there is an export trade in this article running to eight hundred thousand pounds

in value. While in that country, the Mission was approached by those interested in this export trade regarding the possibility of India becoming a consumer. It was pointed out that India also exports onions in very large quantities and that there was no prospect of an export trade in this commodity to India.

Imports into Egypt from India.—The total value of the imports from India in the year 1927 was £E1,674,142 and the principal items in this trade are given below with the value figures for the trade in 1926 and 1927.

Values of Imports from India.

In £1,000 Egyptian.

Commodity	1926	1927
Jute sacks	636	655
Jute cloth	56	76
Rice	556	129
Cotton yarn, grey and bleached	177	193
Cotton piecegoods, dyed in the yarn	44	35
Cotton lace	3	2
Cotton handkerchiefs	2	1
Wheat flour	153	69
Tea	121	133
Peas	77	85
Pepper	35	55
Other spices	6	6
Tamarinds	14	12
Timber	10	3
Dried fruits	7	25
Natural indigo	7	1
Shellac	7	5
Wicker and cane	4	3
Charcoal	4	5
Silk laces, etc.	4	3
Essential oil	3	2
Paraffin wax	3	2
Sesame	2	15

Jute manufactures.—In the year 1927 the value of the total imports of jute manufactures was £E748,000 and of this India's share was almost 98 per

cent. The trade is practically a monopoly of India. With the gradual expansion of cultivation in Egypt the requirements of the country in this commodity are naturally expanding.

Tea.—The total imports of tea have been increasing steadily during the last few years and now range very near 9,000,000 lbs. per annum. In 1927 the actual imports from all countries were 3,929,606 kilogs., valued at £E433,659. Of this quantity India's share worked out at 1,123,291 kilogs., valued at £E132,889 or 28 per cent of the total trade. Ceylon is the largest competitor and in fact has almost twice as much of the trade as India, her contribution in 1927 being 2,214,551 kilogs., valued at £E238,237. There is a relatively small quantity imported from China and from the Dutch East Indies. Although Egypt is essentially a coffee-drinking country, the tea habit is developing there and Egypt is a market which is worthy of close attention, for it has to be remembered that it is a fairly wealthy country, not only as a whole, but also, so far as the individual inhabitants are concerned. Owing to the method in which tea is prepared in Egypt, only cheap qualities are required.

Rice.—In 1927 the total value of the rice imported into Egypt was only £E209,000, as compared with £E669,000 in the previous year. The quantity of rice and pulse imported in any one year obviously depends to a great extent on the local crops and how far they have been successful. The result is that the imports of such grains as wheat, rice, lentils and peas vary very widely from year to year, *e.g.*, Egypt imported £E400,000 of wheat from India in 1925, £E7,000 in 1926 and only £E74 in 1927. Similarly the value of the rice imported from India in 1926 was £E556,000, whereas in 1927 the value was down to £E129,000. It is not a case of the transfer of the trade to some other country of origin. It is simply an all-round reduction in demand due to better internal crops.

Of rice imports to a total value of £E209,000 in 1927, India supplied a quantity, valued at £E129,000 and, therefore, has a large share in the trade. The competing country is Siam, which was responsible for supplies worth £E77,000.

Peas.—In this commodity India's share was £E85,000 in a total of £E101,000; so in this case also, India's position is favourable when compared with that of closer supplying countries such as France, Syria and Palestine.

Wheat Flour.—This is also a large import trade in Egypt, but is subject to wide variations. During the last five years India's supplies have been valued at: (1923) £E120,000; (1924) £E143,000; (1925) £E111,000; (1926) £E153,000 and (1927) £E69,000. The annual values of the total wheat flour imports for 1926 and 1927 were £E3,144,000 and £E2,357,000, respectively, so that India's percentage is relatively small. The large suppliers are Australia and the United States of America, neither of which has any advantage over India in geographical position in relation to Egypt. With the development of the large irrigation schemes in India and the consequent increase in wheat production, which may be expected, India may find the Egyptian market worthy of much great attention.

Cotton Yarn Waste.—Separate figures are not available in the Egyptian statistics for the imports of cotton yarn waste used in the railways and in workshops for cleaning purposes, but the Controller of Stores for the Egyptian Railways, who was interviewed, stated that large quantities were imported

every year. In the Journal of the British Chamber of Commerce for Egypt it was noted that a contract had been placed at the beginning of the year for a considerable quantity at £E26,342 per ton, f.o.b. Liverpool. Information regarding tenders for such supplies can be obtained from the Ministry of Communications, Cairo.

Coal.—The Egyptian Railways import large quantities of coal each year and at present they are using British coal generally. They have tried Indian coal in the past, particularly during the Great War, and the bad reputation gained by Indian coal then still remains with all the officers who are responsible for the purchase of the coal supplies. The system of grading Indian coal for export was explained by the Mission, whenever opportunity arose, and an effort was made to persuade the purchasing officers to give it a trial. They explained that it was all a matter of price and quality and they gave the following prices of the coal which they were purchasing as a guide to enable the Indian exporter to decide whether he can compete.

January 1928.

	£E		
Cardiff Best	1·85 per ton,	f.o.r.	Alexandria.
Cardiff 2nd grade	1·74	,,	,,
Patent Fuel	2·10	,,	,,
Newcastle	1·45	,,	,,

The total imports of coal in 1927 were 1,387,324 tons valued at £E2,072,145, which works out at an average of almost £E1·5 per ton. During 1927 the chief supplying countries were the United Kingdom, Germany and the United States of America with 1,249,000 tons, 51,000 tons and 64,000 tons respectively.

Timber.—Egypt imports a large amount of timber, but she does not use teak to any great extent. The timber which is imported comes mostly from such European countries as Rumania, Finland, Sweden and Turkey. It is largely fir and spruce.

Coffee.—Egypt is a coffee-drinking country and imports over 9 million kilogs. of coffee each year. India exports anything from 150,000 to 250,000 cwts. of coffee each year and yet none of this goes to Egypt. It is not that all the supplying countries are nearer than India, for Egypt's largest supplier is Brazil and even the Dutch East Indies send large quantities. It would appear that there is an opening for India, if proper steps are taken to push the trade.

Apart from cotton goods, which are dealt with separately in the next chapter, the other items in the export trade of India to Egypt are each individually small, though, in the aggregate, they reach a fair figure and in some cases appear more susceptible of enhancement than the major sections of the trade. They are items in which organised export is not so highly developed and in which commercial contacts are not so numerous or stable.

Transit Trade.—Egypt is naturally a convenient centre for the distribution of goods from the East to the countries around the Levant. The Egyptian statistics, however, give no record of transit goods, except in the case of coal and liquid petroleum products; but from a comparison of the Indian and

Egyptian statistics some idea can be obtained of the magnitude of this transit trade, at least so far as it has a bearing on Indian exports. For example, the Indian statistics show exports of raw jute to the value of about Rs. 25 lakhs in both 1925-26 and 1926-27, but the Egyptian statistics give no imports of raw jute in either 1926 or 1927. The presumption is that the raw jute was in transit to some other country, possibly one of the European countries, where jute manufactures have been taken up. Similarly, in dealing with cotton goods later, the question of transit trade is again noted.

Customs Drawback.—If goods of foreign origin are re-exported from Egypt by the importer, a drawback of the import duty already paid is allowed either in part or completely. In the case of cotton piecegoods the whole amount of import duty is refunded.

Chambers of Commerce.—There are two principal Chambers of Commerce in Egypt—

(1) The British Chamber of Commerce with offices at Cairo and Alexandria.

(2) The Egyptian Chamber of Commerce with offices in Alexandria.

They have both full-time secretaries and staff and the British Chamber of Commerce issues an interesting monthly journal, containing up-to-date Egyptian trade statistics, market reports, market statistics, bonded warehouse stocks, Government tenders, etc. Practically all the larger firms are members of the British Chamber of Commerce. Membership is open also to firms and associations in other countries, the annual membership fee being £2 which includes the cost of the monthly journal.

The members of the Egyptian Chamber of Commerce of Alexandria are mostly Egyptians with a number of firms of other nationality as affiliated members.

Banks.—The banking facilities in Egypt are excellent and there are few countries which are not represented there in financial circles. For the purpose of Indian trade the National Bank of Egypt or Barclay's Bank (Dominion, Colonial and Overseas) will probably be most convenient. Each of them has branches in Cairo, Alexandria, Port Said, Suez, Khartoum and Port Sudan, all of which places might be at various times of interest to exporters of cotton piecegoods from India; while most of the large importers in Egypt are clients of one or other of those two banks.

Chief towns.—The chief towns are Cairo, Alexandria, Port Said and Suez. The latter three are the ports and from the point of view of general imports and exports they divide the trade in the following proportions between them:—

	Per cent.
Imports—	
Alexandria	81·0
Port Said	14·0
Suez	3·2
Exports—	
Alexandria	95·5
Port Said	2·3
Suez	1·4

Harbours, railways, etc.—Alexandria has a very fine harbour with modern equipments and the largest ships come alongside the quays, when loading and discharging. At Port Said ships can either lie in the mouth of the Suez canal or go alongside the quays. Very little cargo for the Far East is loaded at Port Said, but the quantity brought from that part of the world and discharged there is considerable. Suez is still only being developed as a port, but in time goods from India for Egypt will probably be landed at Suez in greater quantities, thereby avoiding canal dues.

The Railways are State-owned and State-managed and the system is fairly complete. Alexandria, Port Said and Suez are all connected to Cairo and the railway line extends southward along the valley of the Nile through the cultivated strip which forms the basis of Egypt's prosperity. The telephone and telegraph systems are modern and efficient and telephone calls can be put through between Cairo and Alexandria without any difficulty.

Population.—The total population in 1927 is given as 14,168,756, divided as follows :—

Division.	Population.
Cairo	1,060,000 (approximately)
Alexandria	570,000 „
Canal	134,000 „
Suez	39,000 „
Damietta	35,000 „
Western Desert	50,000 „
Southern „	25,000 „
Sinai	15,000 „
Red Sea Coast	2,000 „
TOTAL	1,930,000
Lower Egypt	6,510,000
Upper Egypt	5,693,000
GRAND TOTAL	14,133,000

CHAPTER IX.

COTTON YARN AND PIECEGOODS TRADE OF EGYPT.

Importations of cotton yarn into Egypt during the last two years.

Country of Origin.	Year 1926.		Year 1927.	
	Quantity in Kilogs.	Value in £E.	Quantity in Kilogs.	Value in £E.
	000's omitted	000's omitted	000's omitted	000's omitted
United Kingdom	308	68	187	40
British India	1,562	178	2,008	193
Italy	615	106	749	122
Japan	139	21	130	19
Other countries	13	2	20	3
Total all Countries	2,637	375	3,094	377
Total all countries, 1925	3,045	497	—	—

Exports of cotton yarns in 1926 and 1927—

		Value £E
1926 ..	266,000 kilogs.	30,000
1927 ..	84,000 „	8,000

Re-exports of cotton yarns—

		Value £E
1926 ..	2,400 kilogs.	450
1927 ..	5,000 „	600

Total Imports of cotton Yarns into Egypt—

	Value £E
In 1926	375,000
In 1927	377.000

Exports of Cotton piecegoods from Egypt.—Values of grey, bleached, printed and dyed, woven and coloured piecegoods and other kinds of piecegoods to all countries :—

	£E	
In 1926	52,000	of local manufacture.
In 1927	36,000	

Re-exports of Cotton piecegoods from Egypt.—Values of grey, bleached, printed, dyed and woven, coloured and other kinds of piecegoods to all countries :—

	£E
In 1926	52,000
In 1927	28,000

Imports of Cotton piecegoods into Egypt.—Values of grey, bleached, printed, dyed and woven, coloured and other kinds of piecegoods into Egypt :—

	£E
In 1926	5,985,000
In 1927	6,982,000

Imports of cotton piecegoods into Egypt during the years 1926 and 1927.

Quantity in thousand of square metres and values in £E1,000.

Country of Origin		Grey		Bleached		Printed		Dyed in the Piece		Woven coloured		Other kinds
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Value
United Kingdom	1926	19,867	301	43,667	1,052	24,589	927	17,466	714	5,791	222	228
	1927	34,501	437	50,368	1,135	28,458	997	20,243	782	6,515	229	249
Belgium	1926	..	..	624	22	475	23	245	12	3,480	140	54
	1927	..	..	397	14	110	4	430	22	2,890	110	50
Italy	1926	63	1	1,167	39	5,163	199	6,292	279	15,569	602	324
	1927	24	·5	994	33	7,843	282	9,564	397	14,684	540	445
Japan	1926	14,766	383	15	·5	..	..	..	..	1,394	51	..
	1927	20,628	451	14	·5	..	..	..	..	9,104	327	..
India	1926	..	..	..	..	..	..	..	..	1,165	44	..
	1927	..	..	..	..	..	..	..	..	1,067	35	..
Other countries	1926	241	6	560	16·5	3,951	164	1,013	42	1,027	39	100
	1927	1,796	36·5	613	15·5	4,947	203	1,687	55	704	27	105
Total	1926	34,937	691	46,033	1,130	34,178	1,313	25,016	1,047	28,426	1,098	706
	1927	56,949	925	52,386	1,198	41,358	1,486	31,924	1,256	34,964	1,268	849

Egypt

The latest figures relating to the cotton yarn and piecegoods trade of Egypt are given in some detail in the monthly Summary of the Foreign Trade of Egypt for December, 1927. The Egyptian customs authorities do not, however, publish figures of the transit trade of the country which, in the case of cotton piecegoods and yarn, is very considerable. The export statistics of the country give little or no idea of the very large trade which piecegoods and yarn merchants of Alexandria and Cairo do with the Levant countries, and, as far as Indian yarn and Japanese piecegoods are concerned, the quantities re-exported from Port Said to the Levant by Alexandrian merchants are probably nearly as great as the quantities consumed in Egypt itself. The approximate quantitative relationship which the transit trade bears to the home market can be gauged fairly accurately for yarn by comparing the Indian export figures to Egypt and the Egyptian import statistics.

The Indian Sea-borne trade statistics show that in the year 1927 approximately 6,000,000 lbs. of cotton yarn of Indian manufacture were exported to Egypt. The Egyptian import statistics for the same period give imports of yarn from India as 2,000,000 kilogs. which is roughly equivalent to 4½ million lbs. The difference of 1½ million lbs. represents the approximate extent of the transit trade in Indian yarn for the Levant.

The Yarn Trade.—Imports of cotton yarn, grey, bleached and coloured, in 1927 amounted to 3,094,000 kilograms (about 6⅞ million lbs.), valued at £E377,000 against 2,637,000 kilogs. (about 5¾ million lbs.), valued at £E375,000 in 1926. Well over 95 per cent of these imports in both years were greys, chiefly counts below 20s. Table 1 shows the proportion of the yarn trade held by the four main supplying countries, namely, the United Kingdom, India, Italy and Japan. The importations in 1926 were below normal, owing to the decline in the purchasing power of the Egyptian consumer as a result of the depression in cotton prices in that year. There was some recovery in 1927, as far as quantities were concerned, and the prospects for 1928 are even better. Stocks in the hands of merchants are low and the purchasing power of the *fellaheen* (cultivator) has increased with the rise in cotton prices. The quantity sent by India was 65 per cent of the total, but the value of India's share was only just over 50 per cent. The second largest supplier of yarn was Italy, who sent 28 per cent of the total weight and 32½ per cent of the total value of yarn imported. Japan and the United Kingdom shared the remainder of the trade. The low average price of the yarn sent from India is very noticeable from the table. This is partially accounted for by the fact that she is the chief supplier of low counts. The exports and re-exports of yarn, transit trade apart, are negligible as will appear from statements on page 88.

Cotton piecegoods.—The Egyptian statistics divide cotton piecegoods into six main classes:—Grey, Bleached, Printed, Dyed in the piece, Woven coloured, and Other kinds of piecegoods. The total value of the piecegoods imported into Egypt, exclusive of the transit trade—which is very considerable in the case of Japanese greys and Japanese striped drills—in 1927 amounted to nearly £E7 millions against a total of £E6 millions in 1926. The recovery in 1927 may be expected to continue in 1928, owing to the higher prices now being realised for cotton on which the purchasing power of Egypt so largely depends.

Grey Goods

Each of the six classes shown in the statistics is sub-divided into light and heavy goods. Goods weighing up to 110 grams per square metre are classed as "Light" and goods weighing more than 110 grams as "Heavy." Except in grey and bleached, the importations of light goods are comparatively small and the figures for light and heavy goods have been combined in the table above, which shows the quantities and values of the various classes imported from England, Belgium, Italy and Japan, the chief suppliers. The figures for India have been inserted because of their special interest as far as this report is concerned. The figures are only approximately accurate for the reason that the Egyptian statistics from which the table has been compiled only shows the chief importing countries for each class of goods. For example, in grey goods India's share is given as *nil*, because her share of the trade is not separately specified. Her share is included in the total for "other countries" and is so small that, for the purpose of arriving at a general conclusion, it may be neglected.

As in yarns, the re-export figures are inserted below the export table. They are so small that they need not be discussed separately.

Grey goods.—The quantity of grey goods imported in 1927 was nearly 57 million square metres, a figure which exceeded considerably the quantity of any other class. Bleached goods came second with a total of 52 million square metres, followed by prints (41 million square metres), woven coloured (35 million square metres), and dyed in the piece (32 million square metres). The low average price of the greys is apparent from the fact that, in spite of the quantity imported being greater than the quantity in any other class, the value was less than the value of bleached, printed, dyed or woven coloured. The very large increase in the quantity of greys imported in 1927 is noticeable. In 1927 the imports were 57 million square metres against 35 million square metres in 1926. The United Kingdom with 34½ million square metres was the largest supplier, followed by Japan with 20½ millions. Over 85 per cent of England's share was in light goods, chiefly tanjibs and light shirtings, which are imported in very large quantities for use in the Zarag dyeing industry (see notes on Port Sudan). Japan's grey trade is practically confined to grey sheetings 36″×30 yards × 10 lbs., the importations of which are increasing at a very rapid rate and are affecting the demand for English bleached shirtings. China holds a considerable portion of the trade attributed to "other countries". She is sending an increasingly popular and cheap line of grey sheetings 36″×30 yards×8½ lbs.

Bleached piecegoods.—In 1927 the imports of bleached piecegoods into Egypt from all countries amounted to over 52 million square metres, of which more than 50 millions were from the United Kingdom. Italy and Holland sent a few bleached shirtings and Belgium some wide-width sheetings.

In 1925, a year in which the total importations of piecegoods approximated very closely to those of 1927, the United Kingdom's sendings of bleached goods totalled 64 million square metres and there is little doubt that the bleached goods trade of Manchester has been seriously affected by the popularity of Japanese grey sheetings. Mr. E. Homan Mulock, Commercial Secretary, in his report to the Department of Overseas Trade in 1927 stated: "Many natives now prefer to wear their galabuhs of this material unbleached. The

result is that several qualities of United Kingdom bleached articles have been eliminated and the market for bleached goods remains overstocked." The position, which Mr. Mulock described in May, 1927, remained at the commencement of March, 1928, in so far as the popularity of the Japanese sheeting was concerned, but the overstocking referred to by Mr. Mulock had to some extent disappeared.

Another factor, which may influence the importation of bleached goods from England in the future, is the attempt at present being made by Japan to enter the market in bleached shirtings. Up to the present importations from Japan have not been large, but the latest sendings from that country are understood to have been satisfactory as regards both price and finish.

Printed goods.—In printed goods, although England continued to hold the first place with 28½ million square metres out of a total of 41½ millions, other countries are making considerable progress at England's expense. Italian prints especially are becoming increasingly popular, owing to the attractiveness and variety of their designs. Italy in 1927 sent 8 million square metres of prints to Egypt as against just over 5 million square metres in 1926. Czechoslovakian competition in prints was also severe and several lines of raised back bleached ground qualities from that country are extremely popular. The Czechoslovakian trade has also been assisted by the generous credit which Czechoslovakian firms are in the habit of allowing.

In the better class print trade and particularly in stencilled velour cloths Germany and France have a fair share of the trade. India of course is not interested in the print trade at the present time.

Dyed goods.—In dyed goods the trade in 1927 totalling 32 million square metres was held chiefly by England and Italy with 20 million and 9½ million yards respectively. In black Italians and sateens British goods still remain supreme, both as regards finish and quality, but in several lines Italian goods have found ready markets. The United States of America have also made very rapid progress in the dyed goods trade. The American imports are confined to one class of goods only, *viz.*, light-weight voiles, which she is able to market at considerably lower prices than the United Kingdom. In 1927 the import of American dyed voiles increased to nearly half a million square metres from a negligible quantity in 1926. France has also made considerable headway in light-weight dyed goods.

Woven coloured goods.—This is the only class of goods imported into Egypt in which India has a share large enough to be separately mentioned in the Egyptian statistics. Her sendings consist chiefly of striped zephyr shirtings of low qualities, but it should be noted that her share of the total trade in this class is now considerably less than the share which she held in 1926.

Japan's progress in this class has been remarkable during the last two years. In 1925 her sendings of coloured woven goods to Egypt were 77,000 square metres, in 1926 they were 18 times as great, namely, 1,394,000 square metres, in 1927 they were over 9,000,000 square metres. They consist almost entirely of striped drills 27″ to 28″ wide by 30 yards long, weighing 6¾ to 7½ lbs. The prices at which the goods have been offered have apparently defied competition from all other countries.

It is understood that the latest consignments of Japanese drills have shown a falling off in quality. Originally nothing but 7½ lb. qualities were imported, but 6¾ and 7 lb. qualities are now making their appearance. The fact, however, remains that in spite of this falling off in quality the Japanese are still able to sell on cash with order terms, whereas Italy, her chief competitor in the coloured woven goods trade, is apparently finding difficulties in disposing of her lines even on very generous credit terms. The total imports of woven coloured goods from all countries in 1927 were approximately 35 million square metres, out of which England's share was 6½ million square metres and Italy's share 14½ million square metres. Belgium also sends appreciable quantities of coloured woven goods, chiefly bed sheetings and cotton trouserings, her share of this trade in 1927 being 3 million square metres as against 3½ million in 1926.

In Egypt the two chief centres of trade are Alexandria and Cairo. As a distributing centre for Egypt itself, Cairo is far more important than Alexandria. Nearly all the large piecegoods importing firms have their head offices in Cairo and subsidiary branch offices, which deal with the clearing and forwarding of goods, in Alexandria. There are, however, quite a considerable number of merchants in Alexandria, who do a very large trade with the Levant in Japanese grey piecegoods and in Indian and Japanese yarns.

Alexandria has become an important distributing centre for the Levant, chiefly because of the ease with which financial assistance can be obtained. Almost all the important European Banks have branches in Alexandria and discount charges do not exceed 6 per cent per annum, whereas in most of the Balkan countries the discount rate is between 16 per cent and 20 per cent. Other factors which have been of considerable assistance are the excellence of the shipping facilities and the arrangement for duty-free storage at Port Said, pending transhipment or importation into Egypt.

Yarn.—The chief counts of Indian yarn consumed in Egypt are No. 4s to 12s. There is also a smaller importation of 14s and 16s. They are used for the manufacture of hand-woven chadars and counterpanes.

Until recently there was also a fairly large market for 20s yarn from India, but this has now been largely captured by Japan. The chief brand imported is "Hinode" which on 21st March, 1928, was selling at £23-10-0 per bale of 400 lbs., c.i.f. Alexandria. The total importation of "Hinode" 20s yarn by Alexandria merchants in 1927 was between 4,000 and 5,000 bales, of which about 80 per cent was re-exported to the Levant.

Italy's sending of yarn consists chiefly of cable yarns and low-quality waste yarn. She also sends a certain quantity of extra hard twisted yarn in counts 4s to 14s, the greatest consumption being in 6s, 8s and 10s.

In cable yarns the counts required vary from 3 and 4 fold 12s to 6, 8, 10 and 12 fold 20s. These yarns are used for the manufacture of fishing nets and in certain classes of carpet-weaving.

The direction of twist in the cable yarn is usually 'reverse' twist. It is made up in bundles of 4 lbs., inclusive of wrapper, and is packed 100 bundles per bale.

In addition to the home market there is a growing demand for extra hard twisted yarn in the Levant, chiefly in Bulgaria and Roumania.

There was a fairly general complaint that the packing of Indian yarn was inferior to that of other countries and our observations in the bonded warehouses at Port Said bore out this complaint. The quality of wrapping paper used by Indian mills is inferior to that used by other countries and bundles often arrive distorted. Other countries were also using superior quality of hessian for packing purposes.

Piecegoods—Alexandria. Grey shirting.—There is a very large importation of light-weight grey shirting from England 31″ × 37½″ × 5¾ lbs. This cloth is dyed locally at Assiout, near Cairo, to produce the blue Zarag which is an almost universal article of wearing apparel in the Sudan. The cost of dyeing is very low, but the fact that the article has to bear the cost of transportation by rail from Alexandria to Khartoum increases its final wholesale selling price to over 11*s.* per piece.

Grey sheeting.—During the last three or four years Japan has built up an enormous trade in grey sheeting with Egypt. In 1927 her sendings were approximately 20,000 bales for consumption in Egypt alone and in addition she exported at least 30,000 bales of grey sheeting through Port Said to the Levant.

The prices at which she was offering her standard quality 10 lb. sheeting in March, 1928, were at least 10 per cent below Indian quotations for a similar article and it would, therefore, seem impossible for India to compete in this line of goods at her present prices. Moreover, it must be remembered that the Japanese quality is well established and evidently much appreciated in the Egyptian market. The most popular brands of 10 lb. sheetings imported from Japan are the Cat and Hat, Dragon C and Lion C C C. On 25th March, 1928, Lion C C C was quoted by Japanese shippers at 15*s.* 10*d.* to 16*s.* 1*d.* per piece of 40 yards, c.i.f. Alexandria. Dragon C was quoted 9*d.* to 1*s.* less and Cat and Hat at the same price as Dragon C.

Similar goods were obtainable from stocks held in Alexandria at slightly lower prices, owing to the fact that Japanese houses had indulged in panic selling at lower rates early in February, 1928. A number of imitations of the three above-mentioned standard lines have recently been imported from Japan and China by merchants in Alexandria.

In addition to a demand for 10 lb. sheeting there is a growing enquiry for 8½ lb. sheeting. These are chiefly supplied by China and the most popular brand is the Safe Brand.

In heavy-weight grey sheeting Japan also controls the market. There is a greater hope of India competing in this quality, but the extent of the demand is limited.

Practically all grey sheetings used in Egypt are calendered, while for the transhipment trade in the Levant an uncalendered finish is more popular.

T. Cloth.—There is a considerable demand for 30 inches T. cloth in Upper Egypt varying in weight from 4½ to 6½ lbs. per 24 yards. It is shared by Manchester and Japan, but in the last two or three years Japan's share has increased considerably.

Bleached goods. Shirting.—The demand for bleached goods is almost entirely supplied by Manchester and consists chiefly of highly glazed and finished white shirting. Medium widths from 32″ to 39″ are chiefly in demand. The reed and picks of Manchester goods are considerably higher than are ordinarily supplied by Indian mills and the finish is entirely different. In order to obtain a footing in the market Indian goods would have to be finished and made up in similar manner. There is absolutely no demand for pure finished shirtings.

Bleached Sheetings.—A certain number of wider widths of fairly heavy-weight white sheetings in plain and twill weaves is also imported for sale, amongst the resident population of Alexandria, but the market is necessarily limited and in this and similar lines Cairo is the main distributing centre.

Bleached ground striped shirtings (Oxfords).—The demand for this class of goods in Egypt has during the last three years been very seriously affected by competition from Japanese striped drills and heavy stocks still remain in dealers' hands, although such goods are being offered to the trade at very attractive prices.

Striped Drills.—Although only introduced into the Egyptian market three or four years ago, Japanese striped drills, in both shirting and pyjama styles, are now being sold in enormous quantities in Egypt and the demand is clearly increasing in volume. The export statistics for 1927 indicate that not less than 10,000 bales of 30 pieces per bale of this cloth were imported for consumption in Egypt and in addition probably 2,000 bales passed through the hands of Cairo and Alexandria merchants for export to the Levant.

When first imported, the dimensions of the cloth were invariably 27″×30 yards × 7½ lbs., but some of the latest shipments have been of a considerably lower texture. The prices at which the cloth was being sold when the Mission was in Egypt were from 10 per cent to 15 per cent below the price at which a similar article could be exported to Egypt by any other country.

Its sales have affected the demand for many other types of cloth. The chief sufferer has been Italy, many of whose best selling lines of striped shirtings have become practically unsaleable except at a heavy loss, and the demand for Manchester's plain bleached shirting has also been considerably lessened.

It may be that the popularity of these striped drills is reaching its zenith, but unless an equally attractive and hard-wearing article can be placed in the market by other countries, there will continue to be a heavy demand for striped drill from the poorer section of the Egyptian public, because of its low price.

Bed Ticking.—The imports of bed ticking into Egypt are considerable. Several qualities are popular, but the majority of them are superior to the ordinary qualities of tickings produced by Bombay mills. Goods 52″-60″ wide sell most freely. A quality imported from Belgium has a flax weft and sells to the extent of 5,000 to 6,000 pieces per year. The total sales of all qualities amount to between 20,000 and 30,000 pieces per year. Large designs in bright colours on a neutral tinted ground are favoured. The colours used in the Belgian bed tickings, which were inspected by the Mission, seemed to be brighter than in Indian tickings of a comparable quality.

Black Dyed Drills, Twills, Sateens and Italians.—Black is almost universally worn by the orthodox Mohammedan population at certain seasons of the year, notably in Ramzan. With many of the Mohammedan women the outer garment or Thob, used when outside the house, is invariably of black. The quality of the fabric varies greatly. The poorer classes content themselves with a low-quality dyed long cloth, twill or drill, but the richer classes demand a much higher quality of fabric. The lower end of the trade is catered for jointly by Italy and England, but the better class fabrics are chiefly supplied by England. One essential common to all classes of black dyed goods is that the dye should be absolutely fast and of a true black shade.

Cotton Suitings and Trouserings.—The market in cotton trouserings and suitings is an extensive one. At the present time Italy is fairly well entrenched in this trade and her only serious competitor is Belgium. Indian mills have had a wide experience in the manufacture of cotton trouserings, but most of them are of a much lighter quality than what is required by the Egyptian market.

Plain woven zephyrs and check zephyr shirtings.—In both these lines the construction and styles of the cloth now selling in Egypt are of a type which Indian mills can produce to advantage. The demand is a fairly large one, extending to several thousand bales per year, and is at present catered for by Italy on generous credit terms. The width varies from 25″ to 28″ and the construction is usually round 60 × 60. As in trouserings, the range of designs and colourings offered by Italian manufacturers is very much greater than is usual in India, while in the case of woven check the designs are changed completely from year to year.

Many other lines are sold in Alexandria in addition to those which have been described in the preceding paragraphs, but they are generally of a construction and quality in which Indian mills cannot economically compete or are too small in extent to be worth serious consideration.

Types of piecegoods in demand in Cairo.—As a distributing centre for Egypt itself Cairo is a much more important centre than Alexandria. The chief difference in the piecegoods trade of the two cities is that there is a more extensive demand for a better class of article in Cairo than in Alexandria. Cairo is also an important distributing centre for the Sudan and Upper Egypt and is the centre of the Zarag dyeing industry, which is referred to in greater detail in the chapters on the trade of Port Sudan.

Bleached Goods : Bleached shirtings.—Cairo has a very large trade in bleached shirtings. They are practically all imported from England, the widths varying from 30″ to 40″, 32″ to 35″ goods being in greatest demand.

Cotton Blankets.—There is a demand extending to several thousand bales per year in cotton blankets. They are at present imported from Belgium. All of them with the exception of the printed blanket, for which the demand is comparatively small, are of a texture and finish which are already being manufactured in India. The most popular sizes are 58″ × 76″ and 60″ × 80″.

Terry Towels.—Cairo and Alexandria are both large consuming centres for towels. One of the largest merchants in Cairo estimated the annual consumption of towels of all classes at 3,000 cases and bales per year.

Import Tariff on Piecegoods

The Import Tariff on Cotton Piecegoods.—The import tariff on cotton piecegoods is nominally 8 per cent *ad valorem*, but by an arrangement entered into between merchants and the Customs authorities the duty is levied in the form of a specific duty, which is subject to revision, according to the rise or fall in prices for different types of goods at regular three monthly intervals, or at any time, if demanded by either the merchants or the Customs authorities. All cotton goods are divided into five general categories, namely, grey, bleached, dyed in the piece, dyed in the yarn and prints, and each general category is sub-divided into twelve sub-divisions according to weight per square metre.

The actual duties payable on the various categories of cotton goods for the period ending 31st May, 1928, are given in the under-quoted table.

Weight per square metre.	CATEGORIES.				
	A GREY.	B BLEACHED.	C DYED IN THE PIECE.	D DYED IN THE YARN.	E PRINTS.
	Duty in Millimes per Kilog.	Duty in Millimes per Kilog.	Duty in Millimes per Kilog.	Duty in Millimes per Kilog.	Duty in Millimes per Kilog.
1. Up to 25 grams . . .	270	570	775	640	1,155
2. From 25 grams to 35 grams .	225	430	740	605	1,075
3. „ 35 „ 50 „ .	220	350	685	560	995
4. „ 50 „ 70 „ .	200	250	485	515	650
5. „ 70 „ 90 „ .	165	250	380	335	485
6. „ 90 „ 110 „ .	155	230	335	425	350
7. „ 110 „ 140 „ .	145	205	285	250	285
8. „ 140 „ 170 „ .	130	180	285	235	260
9. „ 170 „ 200 „ .	120	180	270	200	250
10. „ 200 „ 240 „ .	115	170	260	205	240
11. „ 240 „ 280 „ .	115	160	240	195	220
12. 280 grams and over . .	115	160	220	180	205

1,000 millimes = £E 1=£1-0-6*d.* (sterling).
1 yard = ·9144 metre.
1 Kilogramme = 2·20 lbs.

The duty on artificial silk and cotton mixed goods and on cotton yarn is 8 per cent *ad valorem.*

Although convenient for purposes of collection, the duty as at present levied is somewhat unequal in its incidence, since all cloths in any particular category of the same average weight per square metre pay the same duty. For example, a light grey cloth of open texture made from coarse Indian yarns

would pay the same duty per kilogramme as a grey cloth of similar weight per square metre of closer texture and much higher value made from fine Egyptian or American yarns, which in effect means that, reckoned on an *ad valorem* basis, cloths made from fine yarns are more lightly penalised than cloths made from coarse yarns. In certain cases the duty works out as low as 3 per cent *ad valorem* and in others as high as 15 per cent *ad valorem*. On the whole, the duty would work out heavier than 8 per cent *ad valorem* on the classes of goods which India is in a position to export to Egypt.

Another point worthy of notice is that the duty payable on goods in Customs sheds or Bonded warehouses is calculated according to the schedule in force at the time they are cleared and not according to the schedule in force at the time the goods arrive in Egypt. Samples of no commercial value are admitted free of duty.

Regulations regarding the folding and marking of Piecegoods.—According to a decree dated June, 1922, cotton piecegoods are not admitted into Egypt, unless folded and marked as under :

Folding.—Goods must be folded in lengths of 1 metre, 1 yard, or the fraction of ½, ⅓ or ¼ of a metre or yard.

N.B.—With regard to cotton piecegoods folded in lengths exceeding a yard or a metre, it has recently been decided only to admit those folded in 1½ or 2 yards, or 1½ or 2 metres.

Marking.—The pieces must be stamped in general with the number of the total length together with the words yards or metres, as the case may be, or the abbreviations thereof.

Lengths.—Lengths of coloured goods, net or widely woven mulls, however, may be shown on tickets attached to the piece.

General Rules—

(1) 1 per cent error in length is allowed.

(2) Goods correctly folded, but not correctly marked, can be stamped by importers in the Customs zone against payment.

(3) Falsely lapped goods are to be re-exported. The Customs, however, do not oppose their being re-folded, according to the provisions of the decree in the Free zone at Port Said, on the demand of the importer.

(4) Rolled goods should bear upon them a label, showing the total length in metres or in yards.

There is no provision regarding lengths of hanks in the case of yarn, and short reeled hanks are still common.

Shipping Freights.—The following table shows the approximate piece goods freight rates from various countries to Alexandria and Port Said in force at the time of the Mission's visit to Egypt. It should be explained, however, that from certain countries it is possible to obtain much cheaper freights than those quoted by shipping by non-conference lines.

Shipping Freights : Transit trade

Port of exportation.	Freight rate in sterling to	
	Alexandria.	Port Said.
Antwerp	17*s.* 6*d.* per cubic metre =35·33 cubic feet.	
Hamburg	20*s.* 6*d.* per cubic metre . .	
Liverpool	55*s.* per 40 cubic feet (*less* 7*s.* 6*d.* rebate at end of year).	
" "	*Note.*—This includes 7*s.* 6*d.* canal dues from Manchester to Liverpool.	
Japan	71*s.* per ton of 40 cubic feet (*less* deferred rebate).	61*s.* per cubic foot (*less* deferred rebate).
Bombay	40*s.* per ton of 40 cubic feet (*net*)	25*s.* per cubic foot (*net*).

As regards freights and frequency of service, Bombay has little to complain of up to Port Said, but the additional charge from Port Said to Alexandria is high compared with the difference between the freights to Alexandria and Port Said on goods shipped from Japan.

Transit Trade and Bonded Warehouses.—Egypt has an excellent system of Bonded Warehouses at Cairo, Alexandria, Suez and Port Said, controlled by the Egyptian Bonded Warehouse Company, where goods may be stored at small charges, pending re-export or pending the time when they are needed for consumption in Egypt. These warehouses are excellently built with concrete floors, and piecegoods and yarn may be stored there for any length of time without danger of deterioration.

For cotton goods and cotton yarn the weekly charge for storage in any warehouse belonging to the Bonded Warehouse Company are 45 millimes (11*d.*) per ton weight. Insurance on such goods may be effected through the Bonded Warehouse Company at 45 per cent per annum. The rates for shorter periods than one year are slightly greater.

These Bonded warehouses are very freely used by the Egyptian mercantile community, but only rarely by exporters from India. Goods may also be stored in the Customs sheds for limited periods, but the charges are considerably higher than those of the Bonded Warehouse Company.

All the large shipping companies and the Bonded Warehouse Company also maintain warehouses, where goods may be stored for any length of time in the Free Zone at Port Said. Goods stored in this free zone, although subject to inspection by the Egyptian Customs authorities, pay no import dues or transit duty to the Egyptian Government, and the facilities are, therefore, made full use of for the transit trade to the Levant.

Methods of Business : British methods.—The cotton goods trade of Egypt is largely in the hands of large wholesale merchants and importers, who are

chiefly Jews, Greeks, Arabs and Englishmen. A fair number of these houses are branches of Manchester or London firms of shippers, manufacturers or merchants. It is not unusual for one of the partners of such firms to be manager of the Egyptian branch, while another partner manages the Manchester or London office. A considerable amount of trade is also transacted through commission houses or agents in Alexandria, who represent British export houses. The Calico Printers' Association, one of the most powerful English combines, maintains a large office in Cairo and a staff of travellers, who tour the country, solicit orders and report on the changes in the character of the demand. Further many Manchester houses send out travelling representatives once or twice a year, who call on all large importing houses and take orders on behalf of their principals. There are British Chambers of Commerce in Alexandria and Cairo, whose excellent work has greatly facilitated and assisted British trade, and an official of the Department of Overseas Trade is stationed permanently in Cairo, one of his functions being to report on the commercial situation at frequent intervals. For many years England was practically the only source of supply for cotton goods and in a conservative country like Egypt custom dies hard, and many wholesalers, although not possessing branch offices or agents in Manchester, continue to buy the bulk of their requirements from England. Another reason for England's solid hold on the Egyptian trade is the facility with which goods can be obtained. There is an excellent service of fast steamers and stocks can be replenished at very short notice. No other country has such a widespread organisation as that possessed by England. Until recently, all the English trade was done upon cash terms or very short credit basis, but during the last 10 years there has been a tendency to give more generous credit terms to reputable houses in an endeavour to recapture some of the trade, which is being lost to Italy and the Continent generally, but apart from this there has been no great change in the methods adopted by British firms.

Italian methods.—The methods of business adopted by Italy are somewhat different from those of England. Combinations of factories, in one or two cases, have their own offices in Cairo and Alexandria and these offices sell on behalf of all the mills in the combine. Direct indenting by merchants from individual Italian mills in the combine is not allowed. The local managers of these combines have very wide powers and very generous credits and discounts are given to the trade. An adequate staff of travellers and salesmen is maintained who call on the trade from day to day. Samples are sent out on a generous scale and very small orders even for a large range of designs are accepted. Extension of credit is common, even though the original terms may have extended to 120 days, when repeat orders are booked. Italian manufacturers outside the combines usually appoint sole agents, with powers similar to those mentioned in the previous paragraph.

Belgian, German and Czechoslovakian methods are similar to those of Italy. It is difficult to say whether this generosity of credit has been of greater assistance in building up the Italian trade during the last few years than the combination of cheap freights, a falling exchange and generous sampling; but among a certain class of merchants the receipt of credit is undoubtedly a powerful incentive to the placing of business.

Japanese methods.—In contrast to Italy, Japan has managed to obtain a large share of the Egyptian market by selling standardised lines on a cash basis at the lowest possible prices. For the last three years her prices have been anything from 10 per cent to 20 per cent lower than those of her competitors. Japanese mills have no agents in Egypt, but the Japan Cotton Trading Company maintain offices in Alexandria and about 25 per cent of the total trade in Japanese striped drills and sheetings passes through their hands. The other 75 per cent is direct trade between Japanese exporters in Kobe and merchants in Alexandria and Cairo. Several Egyptian merchants also have their own representatives in Japan, but their activities are not always confined solely to piecegoods and yarn. A large proportion of Egyptian merchants buy and sell the standardised lines of Japan purely as a speculation and contracts pass from hand to hand in the same way as future contracts in other goods. A purchase is made for delivery, say six months ahead, in the hope of a rise in the market. If a rise occurs, a sale is immediately effected, and this process continues, until the goods are actually delivered. The last purchaser ordinarily has no difficulty in disposing of the goods at a price within a few points of what he paid for them, as they are of standard quality and always in considerable demand.

India has hitherto had little or no share in the piecegoods trade of Egypt, but holds more than half the trade in cotton yarns.

Trade Marks.—There is no Trade Mark law in Egypt, but it is possible to bring an action for damages in the Mixed Courts, when it can be proved that a well-established and well-known trade mark has been flagrantly copied and the spurious article has damaged the trade or good name of the original article. Several actions of this nature have been taken and the judgments have always been eminently just and satisfactory and where damages have been proved, the penalties imposed have been heavy.

At the same time the value of a trade mark in Egypt, unless universally known, is not so great as in many other countries. The practice of permitting dealers to use their own trade marks on Indian goods should not be encouraged as a general rule.

Rates of Discount.—Money in Egypt is comparatively cheap. The bank rate is rarely higher than 5 per cent and bills can generally be discounted at bank rate by parties of good financial standing. This being the case, mills exporting goods to Egypt might seriously consider having bills drawn and discounted in Alexandria, where many of the leading European banks have offices. The low bank rate has been one of the most potent factors in Alexandria's advance as a distributing centre for the Levant and must be given very serious consideration, when a decision becomes necessary as to whether to conduct trade direct with the Levant countries or through the medium of Alexandria.

Quotations.—Manchester goods and Japanese goods are almost invariably sold on c.i.f. quotations in pence per yard. Continental firms usually quote c.i.f. in pence per metre and occasionally in pence per yard. Formerly Italy, France and Belgium quoted in their own currencies, but, owing to fluctuating exchanges, resulting in several financial crises, sterling quotation

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are always used. India would do well to follow the general practice and quote c.i.f. sterling per yard, and not ex-mill per lb. or in rupees.

Local cotton spinning and weaving industry.—Egypt has already one spinning and weaving factory—The Anglo-Egyptian Spinning and Weaving Co. at Alexandria. This concern, which, after many vicissitudes, is now a paying concern, has 500 looms and 20,000 spindles and produces a coarse quality of ' cabots ' which are sold locally and to a small extent in the Levant. The chief difficulty with which the industry has to contend is in the direction of obtaining supplies of cheap low-quality cotton in a country which grows only a long staple quality.

Plans are, however, in hand for the construction of a second mill at Benha. The capital, £E300,000, has already been subscribed and the machinery ordered. The mill, when completed, will have 20,000 spindles and 500 looms and it is intended to produce a somewhat finer class of goods than is made in the existing mill.

Advertising.—As a medium for pushing the sale of Indian goods, money spent in press advertising, except perhaps in the journals of the various Chambers of Commerce, would probably be money wasted, since the types of goods which India would best be able to place upon the Egyptian market would be lines such as would be bought by the poorest classes of the population, most of whom are illiterate. As a means of pushing the trade, the system adopted by the Japanese is probably far more effective and not much more expensive than ordinary advertising. Several commercial missions have visited Egypt during the last few years, some of them of an official character, others promoted jointly by Chambers of Commerce and Government. These missions have usually spent a month to six weeks in Cairo and Alexandria and have opened temporary show rooms, where large ranges of samples of all classes of goods have been displayed to interested merchants. A staff of technical experts has usually accompanied these missions, they have had powers to book orders and in some lines a fair business has been done. That the Japanese have found these commercial exhibitions of value is evidenced by the fact that the last official delegation from Japan made arrangements with the Egyptian Chamber of Commerce, under which the Chamber has agreed to accommodate a permanent sample exhibition of Japanese goods, for which they receive £E300 per year, while Egyptian goods are to be exhibited *gratis* in Japan.*

Obstacles to Indian Trade.—Lack of enterprise and organisation amongst Indian shippers of cotton piecegoods is one of the chief reasons for the lack of development of India's piecegoods trade with Egypt. For the most part, the Egyptian importing houses were entirely unaware of the range of qualities produced by Indian cotton mills. In the last few years, it is true that certain firms of manufacturers have made more serious efforts to enter the market through the medium of agents. There has been an almost complete failure to acquaint Indian manufacturers with the fact that most of the standard productions of Indian mills are unsuitable for the Egyptian market as regards finish, texture, design or dimensions, while the agent's lack of technical

* Extracted from the Annual Report of the British Commercial Secretary to the Department of Overseas Trade, 1927.

knowledge has often resulted in his failing to indicate the few lines in which Indian mills would have a chance of competing. Egypt is, after all, a comparatively near neighbour of India, and the market for cotton piecegoods is large enough to warrant a closer study by the exporters in India, who would be well advised to keep more closely in touch with the Egyptian merchant and the exact style of the demand for piecegoods by sending technical men to study the market on the spot. Failing any action of this kind being taken by exporters, the mills themselves might arrange to send a technical expert to Egypt to make a survey of the country's needs.

Very much more generous and attractive sampling would be needed, before India can hope to enter this market, and in any organised effort which may be made in the future in this direction, it would be a wise policy to reduce the ranges of qualities sent to agents and increase the number of designs supplied in each quality. For example, instead of a manufacturer sending a complete set of the qualities which he produces, it would be more advantageous to concentrate on half a dozen lines, specially suited to the Egyptian market and to supply a very full range of designs and colourings in each of these half a dozen qualities. The method of presenting these samples should be similar to the style adopted by Italy and to a lesser extent by Japan. Packing and make-up are other points, which should receive the earnest attention of Indian manufacturers. Special packing and making-up are absolutely essential for export goods. The light packing given for goods for consumption in the Indian domestic market is not sufficiently strong or weather-proof for goods, which have to withstand the rigours of a sea voyage.

CHAPTER X.

SUDAN.

I.—Commercial Summary.

(1) Area.—1,008,100 square miles.

(2) Population.—6,500,000 (estimated).

(3) Language.—Arabic, Sudanese and English for trading at Port Sudan.

(4) Weights and Measures.—There is a system of Sudan weights and measures, but for trade the Metric and the British systems are in use.

Kantar = 8 *Tumna* = 100 *Rotls* = 36 *Okes* = 99·05 lbs. = 44·93 kilogrammes.

(5) Money—

1 pound Egyptian (£E) = 100 piastres tariff = 1,000 milliemes = £1-0-6 (sterling).

1 pound sterling = 97·5 piastres.

(6) Paper Money.—The National Bank of Egypt notes of £E100, £E50, £E10, £E5, £E1, P.T. 50 and P.T. 25 are legal tender in the Sudan up to any amount. Silver is only legal tender up to P.T. 200.

(7) Exchange.—As silver is limited in the amount accepted for legal tender and the paper currency is Egyptian, the exchange is fairly stable now.

(8) Summary of Trade—

Value of total imports for 1925 = £E5,437,727.
Value of total imports for 1926 = £E5,574,401.
Value of total exports for 1925 = £E3,801,348.
Value of total exports for 1926 = £E4,876,236.

(9) Balance of Trade—

In 1,000 £E

	Average		1924	1925	1926
	1910-14	1915-24			
Imports	1,440	3,107	4,055	4,208	4,270
Imports of specie	155	315	94	342	89
Total	1,595	3,422	4,149	4,550	4,359
Exports and re-exports	1,268	3,147	3,830	4,168	5,191
Exports of specie	80	166	86	212	131
Total	1,348	3,313	3,916	4,380	5,322
Excess of imports over exports and re-exports	247	109	233	170	—
Excess of exports and re-exports over imports	—	—	—	—	963

II.—Economic and Financial Position.

Although the area of the country is large, regarded as a consumer, the country may be taken as small. The estimated population totals only 6½ millions. Until comparatively recent times the financial position of the Sudan could not be considered very good, but in the last few years there has been a vast improvement. When it is remembered that the main sources of revenue depend on climatic conditions, it will be realized that an element of uncertainty must always be present regarding the financial position of the country. In order to diminish, as much as possible, the danger arising from seasons of bad rains, the policy of the Government of the country has been to develop irrigation schemes as far as their resources permit, and the positive balance of trade in 1926 is the direct outcome of this policy—in particular, the direct result of the further progress made in what is known as the Gezira Irrigation Scheme. In fact, the financial welfare of the country is bound up with the success of this scheme, which has already cost over eleven million pounds. The loans raised by the Sudan Government total just over twelve million pounds. These have been issued at various prices and carry rates of interest, varying from 5½ to 4 per cent, depending on the date of issue and the issue price. The annual charges on these loans is something under £E 600,000. In addition to these obligations the Sudan Government is also responsible for the service of debenture stock in certain railway and other construction companies, in which the Government is the sole shareholder. The schemes in which Government is interested seem to have been well considered and are beginning to bear fruit, as will be evidenced from the improving financial position brought out by the figures in the following table :—

(*In £E*).

Year	Revenue	Recurrent Expenditure	Surplus transferred to Reserve Fund.
1922	3,499,000	3,497,000	2,000
1923	3,766,000	3,392,000	374,000
1924	4,299,000	3,453,000	846,000
1925	4,867,000	4,376,000	491,000
1926	5,858,000	5,482,000	376,000

III.—Foreign Trade.

Imports and Exports.—The following table gives the value of the foreign trade of the Sudan for the last four years for which figures are available :—

(*In thousand £E*).

—	1923	1924	1925	1926
Imports (Public)	2,974	3,655	3,827	3,779
Imports (Government)	1,695	1,820	1,611	1,796
Exports	2,562	3,542	3,801	4,876
Re-exports	196	288	367	314
TOTAL	7,427	9,305	9,606	10,765

As will be seen, there has been a steady increase in the total foreign trade of the country.

Imports.—The values of the principal imports which are of interest to India are shown below for the years 1925 and 1926 :—

Articles	1925	1926
	£E	£E
Cotton fabrics	1,180,351	830,632
Empty sacks	158,666	167,908
Cotton yarn and sewing cotton	12,500	11,548
Hessians	18,217	6,362
Coffee	317,720	242,979
Flour	140,406	185,874
Tea	159,487	219,458
Rice	35,109	36,255
Spices, pepper and chillies	18,405	22,765
Wheat	5,590	7,102
Coal and patent fuel	125,030	126,323
Essential oils	26,273	20,756
Timber, including railway sleepers	118,298	80,571

Exports.—Of the articles exported from the Sudan those with values of over £E20,000 in 1926 are :—

(1) Cattle : sheep and goats.
(2) Untanned hides and skins.
(3) Ivory.
(4) Sesame.
(5) Dates.
(6) Groundnuts.
(7) Palm nuts.
(8) Gum arabic.
(9) Cotton and cottonseed.
(10) Gold.

Further details need not be given, for, as will be seen, the list is not of much interest to India, except that it contains the articles, dates, gum arabic and cotton.

Indo-Sudan Trade

Value of Indo-Sudan trade.—The position as to the trade carried on between India and the Sudan, obtained from the official returns of both countries, is set out in the following tables :—

Value of trade : Sudan—India.

—	1924	1925	1926
	£E	£E	£E
Imports into Sudan from India	527,213	543,202	744,756
Exports to India from Sudan	5,066	1,223	2,670
Re-exports from Sudan to India	3,127	2,591	9,108
TOTAL	535,406	547,016	756,534

Of the above the main imports from India are :—

Article	1924		1925		1926	
	Quantity	Value	Quantity	Value	Quantity	Value
	Tons	£E	Tons	£E	Tons	£E
Tea	865	110,500	1,233	130,300	1,535	182,500
Gunny bags	2,416	98,300	2,356	126,300	2,828	148,500
Wheat flour	8,161	116,200	6,462	111,700	7,183	122,500
Cotton piecegoods	524	114,100	355	74,800	379	69,000
Rice	962	12,800	1,687	26,800	1,830	29,300
Essential oils	24	19,400	26	22,900	27	18,900
Dates	729	6,000	1,003	10,800	498	5,500
Spices	128	10,700	70	5,600	83	4,700
Pepper	43	1,700	32	1,600	27	3,100
Timber	—	100	—	—	—	2,700
Other items	—	37,413	—	31,309	—	22,036
TOTAL	—	527,213	—	542,109	—	608,736
Durra	—	—	103	1,093	13,408	136,000
GRAND TOTAL	—	527,213	—	543,202	—	744,736

Exports. Dates.—Although, from the statistics the Sudan exports dates, there is practically no shipping of dates. as the whole quantity exported goes to Egypt by land. She has, therefore, no dates to offer to India, even if India were not fully supplied by the countries around the Persian Gulf.

Gum Arabic.—Similarly there does not appear to be much hope of her finding an export market in India for her gum arabic.

Cotton.—This leaves only cotton as a possible export to India. The cotton grown in the Sudan, however, is very high-grade, some of it fetches such high prices as 24*d.* per lb., and the price rules out the possibility of India buying. even if the mills in India were equipped to spin the type of cotton produced in the Sudan. They are not, at present, so equipped and they would require expensive alterations to be in a position to deal with the Sudan cotton.

From a detailed consideration of the produce of the Sudan the conclusion emerges that at present India is not a country to which the Sudan can look as a prospective buyer.

Imports.—As has been found in all the countries dealt with so far, the opportunities to India as an exporter are much greater than the attractions to her as an importer. The trade to the Sudan from India is not what would be described as large at present, but it has certain possibilities for expansion.

Tea.—In the three years 1924 to 1926 the exports of tea from India to the Sudan have increased from 865 tons, through 1,233 tons, to 1,535 tons. The total imports of tea for these years have been 1,205, 1,443 and 1,812 tons respectively. so that India's share works out at 72 per cent, 85 per cent and 85 per cent. The tea imported is generally of an inferior quality, being very stalky, but the total is, by no means, unimportant and in view of the growing tendency to tea-drinking both in the Sudan and in Egypt it is a market which merits more attention.

Jute Manufactures.—Gunny bags and hessians.—The weights of gunny bags imported into the Sudan from India in 1924, 1925 and 1926 are given in the statistics of that country as 2,416, 2,356 and 2,828 tons respectively and their import values at Port Sudan are £E98,300, £E126,300 and £E148,500. For the years 1925 and 1926 the total quantities and values imported under this head are 3,022 and 3,291 tons and £E158,666 and £E167,908 respectively. Approximately, therefore, India at present has 82 per cent of the total of this trade. It is a valuable trade and one which will expand, and with the exporters at Port Sudan always anxious to obtain space in the ships going to Europe, shippers from Calcutta have a decided advantage in that the ship space set free by jute manufactures sent to Port Sudan from Calcutta will then be available for exports to Europe from that Port. The number of firms in the place is not large and, in most cases, an importer of gunny bags will also be an exporter of local produce to Europe and, therefore, in a position to arrange his imports from Calcutta and his export to Europe in such a manner as to take advantage of shipping facilities created thereby.

Although the quantity of hessian required for baling cotton from Port Sudan is not very large at the moment, there will be an increasing demand with the development of the Gezira Irrigation Scheme and the extending cotton cultivation which will naturally follow.

Wheat Flour.—The item which comes next in importance in the trade between India and the Sudan is wheat flour. In the years 1924, 1925 and 1926 India sent to the Sudan 8,161, 6,462 and 7,183 tons, valued there at £E116,200, £E111,700 and £E122,500 in those years. The following table shows the total imports with the two main countries of origin and the extent of their participation in the trade.

Country	1924		1925		1926	
	Tons	£E	Tons	£E	Tons	£E
India . . .	8,161	116,196	6,462	111,673	7,183	122,530
Australia . . .	1,602	20,457	1,006	17,801	2,447	45,772
Others . . .	1,372	23,097	504	10,932	958	17,572
TOTAL .	11,135	159,750	7,972	140,406	10,588	185,874

The trade is one in which India and Australia mainly participate and their relative share is not altogether determined by the prices at which the article is offered. The trade is in the hands of a very few firms in Port Sudan, and these are also interested in shipping, so that the question as to whether an order should go to India or to Australia is bound up with that of the tonnage unbooked from either country of origin in the ships in which the importers are interested. At Port Sudan complaints were received from importers that flour from India was sent in sacks of many different sizes, often differing from each other by a few lbs. only. The importer's requirements are for sacks containing a definite weight and if two sizes must be used, the difference should be definite and obvious. The actual recommendation by the importers was that for the Port Sudan market the sizes should be 150 lbs. and 196 lbs.

The flour imported from India is taken mostly from the mills in Bombay and Karachi and the more popular qualities are the Rose, the Tree and the Camel brands.

Cotton piecegoods.—This item is now fourth in importance, as measured by value, in the export trade from India to the Sudan and for the years 1924, 1925 and 1926 the total values of all classes were £E114,100, £E74,800 and £E69,000. As this class of goods forms a special part of our reference, it will be dealt with in detail below.

Rice.—The imports of rice from India in the three years ending 1926 amounted to 962, 1,687 and 1,830 tons and were valued at £E12,800, £E26,800 and £E29,300 respectively in Port Sudan. India holds over 90 per cent of the trade in rice, the balance entering the country from Egypt and India's share has increased considerably in the last few years with the increase in the number of ships, calling at Port Sudan on the way to Europe. Most of the rice taken is "Ballam" exported from Karachi. To a certain extent

the quantity of rice which will be taken in any one year from India will depend on the rice crops in Egypt and when the floods are not good in Egypt, the trade from India will be larger. From the reports as to the height of the Nile in 1928 it would appear that the requirements this year will be greater than usual. Some of the importers expressed themselves rather bitterly on the subject of the quality of some of their consignments from India and care will have to be exercised in the matter of quality, if the trade is to be retained.

Essential Oils.—Under this heading are included such articles as Red Fitna, White Fitna, Clove oil, and Sandalwood oil. The total quantity imported each year into the Sudan is extremely steady and does not seem to be capable of much expansion. Its value is in the neighbourhood of £E20,000 and India holds a steady 90 per cent of the trade.

Spices.—The statistics of the country include ginger, turmeric-powder, cloves and cinnamon in this class. The first two are imported from India, while cloves and cinnamon originate largely in Zanzibar. For the three years ending 1926 the quantity of spices, including pepper, imported from India has fallen from 171 tons to 110 tons, while the total quantity imported into the Sudan has risen from 386 tons to 434 tons. This is a trade which India is losing and the decrease is clearly shown in the case of pepper for which separate figures are available, the imports from India of this article being 43, 32 and 27 tons respectively in the years 1924 to 1926.

Durra.—The only other item of any importance in the present trade between India and the Sudan is Durra and the trade in this article is not one which can be expected to continue. In 1926 the Sudan imported 13,408 tons, valued at £E136,000, but this was the result of a food shortage in the Sudan, resulting from a failure of the crops owing to bad rains. This is unusual and, with the progressive development of artificial irrigation on a large scale, will be of less frequent occurrence in the future.

Dates.—The date trade between Bombay and Port Sudan is small and is merely a re-export trade in dates imported into India from Basra in 'Iraq.

Other Articles.—The present import trade from India in other items is small, but there are a few directions in which expansion is worthy of consideration.

Coal.—Each year the Sudan Government Railways import about 84,000 tons of coal into Port Sudan and in addition to this some 30,000 tons is required annually for bunkering. At present all this coal is brought from Durban in Natal and the present price is 25*s.* 6*d.* per ton, c.i.f. Port Sudan. The two qualities imported are: (1) Natal Navigation Coal and (2) Enyatia. The coal is very small; some of it looked almost like dust, but that does not seem to be considered as any real objection. All that is wanted is good coal, free from stones and dirt and there is no special desire for sized coal. There were also objections to Indian coal in that it suffered from spontaneous combustion. From men who had had some thirty years' experience in the coal trade in the East the information was obtained that the best coal, which is being exported from Calcutta at present, can cut out the Natal coal, if it can be supplied at 3*s.* per ton less than Natal coal. This makes the c.i.f. price

at Port Sudan only 22*s.* 6*d.* and allowing 12*s.* per ton for freight—a figure given as possible by one of the shipping firms in Port Sudan—this only leaves 10*s.* 6*d.*, f.o.b. Calcutta. At present prices it is doubtful if coal can be exported from Calcutta to Port Sudan. The arrangements for unloading coal at Port Sudan are excellent and are described later.

Timber.—The total value of timber, including railway sleepers, imported into the Sudan in the years 1924 to 1926 was £E207,500, £E118,300 and £E76,900. The timber is imported in different years from various parts of the world, no particular country except the United Kingdom having any very steady share in this particular trade. In 1926 India appeared with a consignment valued at £E97,000. The importers of teak direct from Rangoon had not very happy experiences and they now obtain their shipments of teak from the United Kingdom in spite of the fact that it is Burma teak which they buy. The wood received from Rangoon was very inferior in quality, although first class logs had been ordered and paid for and the importers decided that it would be cheaper to order their teak from London, where the quality could be relied on. Rangoon has, therefore, lost this direct trade. The Railways use teak for railway carriage and steamer construction and there is always some work in hand, so that it would be worth looking into the question of direct supply of teak from Rangoon for future work.

In addition to the teak wood required, the railways also use a comparatively large number of wooden sleepers and so far these have been obtained from Canada and some of the countries of Europe. Just recently an order has been placed in Vancouver for a large number of wooden sleepers of Douglas Fir at 3*s.* 6¾*d.* per sleeper, c.i.f. Port Sudan. (The railways in the Sudan are standard gauge.) White ants and dry rot are prevalent in the country and the railway authorities are anxious to find a class of wooden sleeper which would be more resistant than those they have so far been accustomed to use. It is all a matter of price and the orders are placed in the country which can supply the required article up to specification at the lowest price. Information and tender forms can be obtained from the Director, Commercial Intelligence Branch, Central Economic Board, Khartoum.

Rates of Customs Duty.—There is a general import duty of 8 per cent *ad valorem* on all goods except a few. Of these exceptions the following only are of interest to India :—

Charcoal,

Coal, and

Timber of common woods (such as ash, fir, jarrah, oak, pine, pitch-pine, teak) unwrought or in balks, planks, laths, railway sleepers and telegraph poles, 4 per cent *ad valorem*.

There is also a duty of 1 per cent *ad valorem* on all goods transhipped in the Sudan.

For cotton piecegoods the Egyptian Schedule of Tariff Values is used for the five categories : (*a*) Grey, (*b*) Bleached, (*c*) Dyed in the Piece, (*d*) Dyed in the Yarn and (*e*) Prints. This Schedule, as in Egypt, is subject to revision every three months and the tariff values in force till 31st May 1928 are shown in the table on page 97.

In the case of India the imports are only relatively large for greys (locally known as Bafta Kham) and it is only for this class from India that the Customs authorities use this tariff schedule.

Communications.—Port Sudan.—The harbour is well protected from winds from all directions, the water is deep and clear. Approaches are well beaconed and illuminated and ships can enter and leave the port at any time during day or night. There are five berths, each about 400 feet long, lighted by electricity and equipped with four 2-ton, two 5-ton and one 7-ton gantry cranes. There are also electric coal transporters and one electric coal rehandling bridge plant. A 20-ton steam floating crane is available for heavy lifts. The railway lines run alongside the quays, and port and railways are all under the same administrative department of Government. The striking development of Port Sudan is indicated by the growth of shipping there from 700,000 tons (international) before the war to 3,174,500 tons in 1926. The tonnage handled in 1926 on the quays was 980,497.

Suakin is a port which is rapidly receding into the background with the growth in importance of Port Sudan.

Railways.—From Port Sudan there is a standard-gauge railway to Khartoum, joining the line from Wadi Halfa to Sennar. Another line, branching from Haiya on this main line joins up Kassala near the Guitrea frontier with the general railway system.

Quay dues.—Quay dues are chargeable on all goods (except a few, which are not of interest to India) which are landed on or shipped from any part of Port Sudan Harbour. For goods imported the rate is ½ per cent *ad valorem* and for exports from Port Sudan ¼ per cent *ad valorem* is charged.

Railway Freight Rates.—The railway conveyance rates from Port Sudan to Khartoum on the principal articles of import from India are as follows:—

——	Class	1 ton Lots		10 ton Lots		Surtax
		£E.	M/ms.	£E.	M/ms.	
Tea	1	7	919	75	225	40%
Sacks in bales	6	2	424	23	028	50%
Flour	6	2	263	21	493	40%
Cotton piecegoods	1	11	312	107	464	100%
Rice	5	2	828	26	866	40%
Essential Oils	1	11	312	107	464	100%
Spices	2	7	272	69	034	100%
Timber (unwrought)	5	2	020	19	190	*Nil*

On all consignments despatched by rail the terminal charges amount to 30 P.T. per ton.

The following charges are made by the Sudan Government Railways for porterage, conveyance and off-landing :—

	Per ton or part of ton Piastres.
1. (*a*) Porterage :—	
Which includes detaching from slings and reception into Transit Sheds or stacking ground and delivery thence to Platform ——cased goods, bales, etc. .	12
(*b*) As above for timber tiles and similar loose goods .	15
2. Conveyance from Transit Shed to private warehouse—loading by Railways, off-loading by owners . . .	6
3. Off-loading at private warehouse by Railway labour, if required	6
4. Porterage on goods taken by direct delivery from ship (includes detaching from slings, and sorting).	
Cases or baled goods, etc.	
(*a*) In consignments of less than 30 tons . . .	12
(*b*) In consignments of 30 tons or over	7½
(*c*) All timber tiles or other loose goods	18

Shipping—India and Port Sudan.—The statement below sets out in summary the shipping and trade between India and Port Sudan giving also the names of the shipping agents in the latter place :—

Port of Shipment	Commodities	Line	Steamship Agency Port Sudan
Calcutta . .	Gunny bags, tea, sun helmets, etc.	Anchor Brocklebank, British India Steam Navigation Co., P. & O. Steam Navigation Co.	Gellatly, Hankey & Co.
	Rice . . .	Ellerman City, Ellerman and Bucknall Clan.	Contomichalos, Darke & Co.
Bombay . .	Flour . . .	Bombay Persian Steam Navigation Co.	Gellatly, Hankey & Co.
Karachi .			
	Rice . . .	Ellerman . . .	
	Cotton piecegoods.	Persian Gulf Steam Navigation Co.	
	Essential oils .	H. M. Nemazee . .	
		Ellerman Hall . .	Contomichalos, Darke & Co.
		Anchor Line (Bombay only).	Gellatly, Hankey & Co.
Rangoon . .	Teak and Rice .	Bibby	Gellatly, Hankey & Co.

Trade Marks.—There is at present no express law for the protection of patents or trade marks in the Sudan, but the courts have power to afford

protection by a civil action. As usual in such cases, the best method of obtaining protection is to advertise the trade mark and to threaten prosecution in the case of infringement.

Sudan Chamber of Commerce.—There is a Chamber of Commerce for the whole of the Sudan with headquarters at Khartoum and branches in Omdurman and Port Sudan. A number of Indian firms are members of the Chamber.

Principal Banks.—The principal banks are the National Bank of Egypt and Barclay's Bank. They have offices at Khartoum, Omdurman, and Port Sudan.

Chief Towns.—The chief towns are Khartoum (31,000), the capital, Omdurman (80,000) on the opposite side of the Nile, Port Sudan (22,000), Berber (12,000), Wad Medani (33,000), El Obeid (17,000), El Fasher (12,000), Wadi Halfa, Kassala and Mongalla, the figures for population being given in brackets. The population in the Sudan between the latitudes of 4° North and 8° North is 2,700,000 and these are mostly unclothed. Between 8°N and 12°N. it is 600,000, between 12°N and 16°N 2,100,000 and between 16°N and 20°N 500,000, all of which are more or less clothed.

Samples.—Samples are admitted free of import duty, provided they are not such as can be sold as merchandise.

Drawback.—When foreign goods, which can be identified in each case, are re-exported, a drawback equal to the difference between the import duty already paid and such export duty as would be payable if the goods were of native origin may be repaid, if the re-export is made within six months of the date of import.

Transit trade through Egypt.—Goods imported into Egypt and then sent to the Sudan are admitted into the latter country on payment of the difference between the Sudan import duty and the Egyptian import duty, if there is any such difference.

CHAPTER XI.

The Cotton Piecegoods and Yarn Trade of Sudan.

Imports of Cotton Yarn and Piecegoods into the Sudan during the last three calendar years.

		1927		1926		1925	
		Quantity	Value in £E	Quantity	Value in £E	Quantity	Value in £E
Cotton yarns	Tons	16	4,371	11	2,667	12	3,227
Sewing cotton	Kilog.	16,126	8,293	14,357	8,021	19,700	9,273
Cotton piecegoods—							
Grey	Tons	3,125½	376,304	2,892	410,242	2,919	507,457
Bleached	,,	512	112,108	520	128,163	919	228,542
Dyed in the piece	,,	1,247½	269,854	888	214,617	1,039	329,298
Dyed in the yarn	,,	75	17,835	40	13,103	60	21,133
Prints	,,	101	33,709	105	37,062	113	46,324
Other cotton piecegoods	,,	19	5,218	37	12,631	62½	36,462
Other cotton piecegoods	Metres	495,716	22,450	331,649	14,814	183,219	11,135
Total value of piecegoods		—	83,478	—	830,632	—	1,180,351

Values are in Egyptian pounds.

Weights, except in the case of sewing cottons, are in metric tons (1,000 kilog.).

The above table compiled from the Statistical Returns of the Sudan Customs shows at a glance how grey goods preponderate over all other classes in the piecegoods trade of the Sudan. The value of the greys imported is nearly half of the total for all piecegoods. Unfortunately, for the purposes of this report, the Sudan Customs do not maintain any record of the yardage of piecegoods, but, calculating on the basis of weight, it will be seen that about 60 per cent of the total piecegoods imported into the Sudan are greys. Practically the same proportion holds good for all three years. Next in order of importance to greys come goods dyed in the piece, followed by bleached goods. The importations of prints and coloured woven goods and other sorts are comparatively small.

For the last two years the trade has been of practically the same total value, but the yardage was considerably greater in 1927 than in any previous year in the history of the country. The high value of the imports of cotton piecegoods in 1925 is accounted for by the high prices of cotton during that year, which, incidentally, greatly increased the purchasing power of the Sudan whose chief export crop is cotton.

The imports of yarn are so very small as to merit no special consideration.

Shares of the chief countries in the piecegoods trade of the Sudan in 1927.

	United Kingdom	Egypt	India	Italy	Japan	Other countries	All countries
Grey unbleached—							
Value in £E1,000	23	19	15	2	289	28	376
Per cent of Total	7%	5%	4%	..	77%	7%	100%
Bleached—							
Value in £E1,000	87	20	2	1	2	..	112
Per cent of Total	78%	18%	1¾%	1%	1¾%	..	100%
Dyed in the piece—							
Value in £E1,000	15	214	40	..	..	1	270
Per cent of Total	6%	79%	15%	..	..	..	100%
Dyed in the yarn—							
Value in £E1,000	3	7	1	3	4	..	18
Per cent of Total	17%	39%	6%	17%	21%	..	100%
Prints—							
Value in £E1,000	16	14	2	1	1	..	34
Per cent of Total	47%	41%	6%	3%	3%	..	100%
*Other piecegoods—							
Value in £E1,000	3	..	1	..	..	1	5
Per cent of Total	60%	..	20%	..	..	20%	100%

* This item excludes certain other goods specially classified in table on page 115 to a value of £E22,000 practically, all of which were imported from Egypt.

In the foregoing table the imports of piecegoods into the Sudan have been split up into the six classifications adopted by the Sudan Customs authorities and the proportion of the trade held by the chief importing countries in each class worked out as a percentage.

Grey Unbleached Piecegoods.—In the grey goods trade of the Sudan the predominance of Japan is very striking indeed. Her share of the trade, according to the customs figures, is 77 per cent, but it is in reality considerably more than this, because some of the grey goods attributed to India, most of these attributed to Egypt and nearly all of those attributed to "other countries" are of Japanese origin. Japan's real share of the grey goods trade may, therefore, be put at about 85 per cent to 90 per cent of the total.

Bleached Goods.—The largest share of the trade in bleached goods is held by the United Kingdom. Egypt, with a share of 18 per cent according to the table, produces no bleached goods. The whole of this 18 per cent must, therefore, have been re-exported goods of foreign origin—and while some may have been imported originally from Italy and Czechoslovakia, the bulk must

have been imported from the United Kingdom. The United Kingdom's predominance in the bleached goods trade is, therefore, greater than is shown in the table and the share may be estimated at over 90 per cent of the total trade.

Dyed Piecegoods.—This is the only class of goods imported into the Sudan, of which India has any considerable share. Egypt has nearly 79 per cent of the trade, which may seem strange, considering that she holds only a minor place amongst the producers of piecegoods. Her large exports of dyed goods to the Sudan are not, however, of her own manufacture. They consist almost entirely of " Zarags " which are dyed in Egypt; but the grey cloth from which the Zarags are made is imported from England.

Woven Coloured Goods.—The trade in woven coloured goods is only small, but the table unduly stresses Egypt's real share. Egypt undoubtedly exports some coloured hand-woven chadars to the Sudan, but at least half of the 39 per cent attributed to her in the Customs figures must have been of foreign origin.

Prints.—England's share of the trade is inadequately represented by the figures in the table. Nearly all the printed goods, shown as having been imported from Egypt, should be added to the share of the United Kingdom.

Port Sudan. Types of Cotton goods selling in the Sudan.—The greatest distributing centre for the cotton goods trade of the Sudan is Khartoum, which the Mission was unfortunately unable to visit. Nearly all the large importers of piecegoods are located in the capital city, but as nearly 80 per cent of the piecegoods imported pass through Port Sudan and since many of the Khartoum importers have branch offices in the Port, it was found possible in the short time during which the Mission stayed at Port Sudan to collect a range of piecegoods samples, which may be taken as representative for the whole of the country.

Grey Goods.—The grey goods trade, as can be seen from the Customs returns, is practically confined to grey sheetings, T. cloths and grey drills.

Grey Sheetings and Shirtings.—The bulk of the grey sheetings imported into the Sudan are of Japanese manufacture. The greatest sales are in 10 lb. qualities, 36" wide by 30 yards long. The demand for this class of goods is increasing rapidly and has seriously affected the importation of Manchester bleached shirtings. Merchants estimate the total consumption of Japanese 10 lb. sheetings at between 10,000 and 13,000 bales per year. Until five years ago England, India and America held fairly large shares in the grey sheetings and shirting trade of the country, but apart from a few light qualities of shirtings still imported from India and China, the whole of the trade has gone to the Japanese.

The very low price at which Japan has been able to place her qualities on the market has been the main reason why she has been able to capture the market in grey goods and at the present time her quotations for 10 lb. qualities are from 10 per cent to 20 per cent lower than quotations from America, England and India for an exactly similar article.

T. Cloths.—There is a growing demand for T. cloths, 30" × 24 yards qualities. Sales amount to between 500 and 1,000 bales per year in 5½, 6, and 6½ lb. weights. The market is now controlled by the Japanese.

Grey Drills.—The sales of grey drills in the Sudan amount to something between 300 and 500 bales per year. Japanese Elephant brand (27″/28″ × 40 yards, weight 13½ lbs.) sells more freely than any other make.

Grey Dhoties.—There is a small, but growing, market for Indian grey dhoties, 40″/42″ wide × 10 yards long in medium qualities. Sales are about 800 bales per year.

Bleached Goods. Bleached Shirtings.—The total trade in bleached shirtings amounts to about 2,000 bales per year. Manchester has practically a monopoly of the market, but Japan has recently begun to compete in certain qualities.

Shirtings are imported in widths from 31″/44″, but 31½″ and 34″ goods sell most freely and medium qualities sell more readily than either low or high qualities. All the shirtings which we saw had a stiff highly glazed finish. Unlike the goods selling in most other markets visited, the bleached shirtings selling in the Sudan had woven headings.

There are several very well known marks and quality numbers, and the introduction of new qualities and trade marks would present some difficulties.

Indian bleached shirtings have not been seen on the Sudan market, but it is most unlikely that, as now manufactured, they would sell in competition with the highly finished goods imported from Manchester. If Indian mills wish to enter the Sudan bleached goods trade, they would have to reproduce the finish, make-up and packing given by Manchester manufacturers.

Bleached Tanjibs.—Low and medium-quality Tanjibs are imported in fair quantities for use as head dresses. All supplies are at present drawn from Manchester, but there seems to be no reason why India should not be able to compete, as the textures in demand are similar to those of many Indian fabrics. They are usually made from fairly coarse yarns and with a low number of ends and picks per inch; widths vary from 30″ to 50″, but the chief demand is for 34″/40″ goods. They are always made up Nainsook fold, 10 pieces per bundle and 250 pieces per case or bale. The length is usually 18 yards. The cheaper lines are always heavily filled and almost all have a highly glazed finish. For the Sudan market headings must be woven and the correct length in yards or metres must be stamped on the piece.

Bleached Dhoties.—Light-weight bleached dhoties with dobby borders sell to the extent of about 500 cases per year. The sales of dhoties are increasing, the chief demand being for a 42″ garment of 10 yard length. Two of these are sewn together to make what is known as a "Thob" 10 yards long × 84″ wide.

Bleached Twill Chadars or Shawls.—There is a fair demand for bleached twill shawls. There is also a large demand for this type of goods in Aden for the Abyssinian and Arabian markets, and Indian mills might find it possible to capture a portion of the trade. The fast black woven selvages are a feature of these shawls.

Dyed Goods. Zarags.—By far the largest trade in dyed goods in the Sudan is in the dyed zarags. The zarag is a garment, which is almost universally worn by certain sections of the population. It consists of a single piece of indigo-blue dyed cloth, 29½″/30″ wide × 9¼ yards long.

The grey cloth from which it is made is imported into Egypt from England, and is 31″ wide, 37 yards long and weighs 5½—5¾ lbs. per piece. The cloth is dyed at Assiout near Cairo and each piece of 37 yards is cut into 4 garment lengths of 9¼ yards each. The c.i.f. cost of the grey cloth per piece at Alexandria at the beginning of April was from 5*s.* 6*d.* to 5*s.* 9*d.* The dyed cloth was selling wholesale in Khartoum and Port Sudan at just over 11*s.* per piece of 37 yards.

Black Italian.—There is some demand for black Italian by the Mohammedan population, but the qualities selling are, generally speaking, much higher and the finish much superior to what Indian mills have hitherto found it possible to manufacture. The trade is entirely in the hands of Manchester manufacturers.

Woven Lungis, Sarees and Sarongs. Lungis.—There is a small market, 300 bales per year, for coloured woven lungis. Red and yellow are the most common colour combinations in demand.

Sarees.—Low-quality Sholapur check sarees are imported in fair quantities, about 2,000 bales per year. They are demanded in 39″/40″ width and 7½ yard length. A cheaper imitation of the Sholapur saree has recently been imported in considerable quantities from India. It was marked S.N.S. and was selling freely on account of its cheapness, and was affecting the sales of the genuine Sholapur saree. Merchants in Port Sudan expressed the opinion that eventually the market for Indian sarees would be spoiled, owing to the poor quality of these new goods, which are usually bought in the belief that they are genuine Sholapur sarees. The close imitation of the Sholapur mills stamping should make it possible to prevent further exportations of the S.N.S. sarees, and investigations might advisably be made to ascertain the exact source of origin of such goods with this end in view.

Printed Goods.—There are small importations of printed shawls of the types which sell freely in Aden, but by far the greatest share of the prints imported consists of Manchester shirting prints. Sales amount to about 12,000 pieces per year.

System of marketing and terms of business.—Manchester goods are generally bought through the medium of commission agents in Khartoum or Port Sudan, though in one or two cases Manchester houses are directly represented. The terms of payment are usually cash against documents, but, in the case of certain well known firms, up to 60 days' credit is given to importers.

Japanese Goods.—Japanese goods are bought either through Bombay houses or are ordered directly from the large exporting houses in Kobe. All the larger importers in Khartoum and Port Sudan are kept in touch with prices of standard lines of grey sheetings and striped drills by weekly cables from Bombay or Kobe, or both. At times, owing to accumulations of stocks of Japanese goods in Bombay or for other reasons, such as exchange fluctuations, quotations from Bombay may be lower than those received from Japan, in which case orders are placed on, or through Bombay merchants, but during the last three years the bulk of the Sudan's imports of Japanese piecegoods have been supplied directly from Japan. If bought through Bombay houses, the terms are usually cash against arrival of documents in Port Sudan. When

purchases are made directly in Japan, an irrevocable credit for the amount of the order is generally insisted upon.

Indian Goods.—Most of the business in Indian goods for the Sudan is done through Indian firms in Suakin, Port Sudan and Khartoum. These firms are, as a rule, closely connected with piecegoods exporting firms in Bombay and in certain instances they have their own offices in Bombay. The terms of business are cash against documents for the greater portion of the business, though in some instances very short credit is allowed by the cloth commission agents and merchants in Bombay.

Quotations.—Manchester and Japan always quote in sterling c.i.f. Port Sudan, but Indian goods are more often bought on f.o.b. terms at the present time. For direct business between importers in Sudan and mills in Bombay quotations should be on a c.i.f. basis and prices should be quoted in sterling in preference to rupees. This remark applies especially to business with Arab, Egyptian or British firms, who cannot be expected to keep in touch with variations in freight rates between India and Port Sudan. India is sometimes at a disadvantage, owing to her methods of quoting for grey sheetings and shirtings per lb. Other countries quote for grey and bleached shirtings in pence per yard, or shillings per piece, and it would be advisable for Indian mills to adopt the same procedure for direct business. Fancy piecegoods should be quoted per yard and chadars, scarves, lungis, dhoties per piece or per pair.

These remarks apply with special force to any new goods which Indian manufacturers wish to introduce to the Sudan market, since the adoption of such a procedure would enable importers and merchants to make accurate price comparisons with similar goods from other countries without any laborious calculations.

Freight Rates.—In comparison with her chief competitors India has an advantage in regard to freights. Many of the Anchor Line, City Line, Ellerman Line and B.I.S.N.Co. steamers from India call at Port Sudan on the homeward run to England and the Continent.

The following comparison of freight rates on piecegoods from Japan and Bombay will be of interest :—

Bombay—Port Sudan R22/8 per 40 c. ft.

Kobe—Port Sudan 60*s*. per 40 c. ft.

Railway freight on piecegoods from Port Sudan to Khartoum.—The railway freight on piecegoods from Port Sudan to Khartoum is exceptionally heavy. For one ton lots the rate is £E11·312 per ton *plus* a surcharge of 100 per cent. For 10 ton lots the charge is £E107·464 *plus* a surcharge of 100 per cent.

On Indian grey goods this is equivalent to about 16 per cent of their c.i.f. value at Port Sudan.

Obstacles to development of Indian piecegoods trade in the Sudan.—The piecegoods trade of the Sudan is at present chiefly confined to very simple styles of grey, bleached and dyed goods, but an increasing use of coloured woven goods and fancies may be expected as the country is opened up, its population educated, and its purchasing power increases. Japan and China

practically monopolise the trade in grey sheetings and the prices at which their goods are offered are considerably below what is given as the bare cost of production of similar goods in India at the present time. Whether, by the adoption of standardised methods of production, it will in future be possible to make a similar article to the Japanese 10 lb. grey sheeting at a competitive price is worth the most careful consideration. In bleached goods, India might find it possible to compete against Manchester goods in the Sudan, provided that she can reproduce the finish, packing and make-up supplied by Manchester.

There also appears to be some possibilities of increasing India's trade in the Sudan in coloured woven piecegoods, such as lungis and sarees. Indian goods of these two classes are well known and appreciated. The demand is increasing and might be stimulated by more frequent sampling and variation in design. In the small lines, such as bleached tanjibs and dhoties, both grey and bleached, there is also a prospect of increasing India's share of the trade.

CHAPTER XII.

THE COTTON GOODS TRADE OF ADEN.

Aden is at present an important distributing centre for the southern Red Sea ports, portions of Arabia, Abyssinia and East Africa from Djibouti as far south as Mombasa, and the importations of cotton piecegoods and yarn into the port are, as a consequence, much greater than the demands of Aden's immediate hinterland. The ports of Djibouti, Mogadesho and Massowa are, however, growing in importance and liners from France, Italy, Germany and England are calling there with greater frequency with the result that, as far as goods of Western origin are concerned, there is a tendency for Aden to lose some of its importance as a distributing centre, while for Japanese and Indian piecegoods its entrepôt trade still remains supreme for the territories afore-mentioned. Unfortunately, no detailed figures of imports into Aden were available other than those for the statistical year 1925-26, but the Collector of Customs was good enough to supply figures to the Mission, showing the total quantities and values of the imports of grey goods, bleached goods, dyed, printed or coloured goods and yarns up to the end of 1927. These are given below :—

Imports of piecegoods and yarn into Aden.

Class of piecegoods	1925-26		1926-27		1st April 1927 to 31st December 1927	
	Quantity in 1,000 yards	Value in Rs. 1,000	Quantity in 1,000 yards	Value in Rs. 1,000	Quantity in 1,000 yards	Value in Rs. 1,000
Grey unbleached	42,782	1,40,67	54,648	1,34,73	30,471	86,45
Bleached	12,121	40,49	8,958	28,26	9,801	29,26
Coloured, printed or dyed	7,517	34,24	10,125	36,48	10,015	35,61
Twist and yarn (1,000 lbs.)	3,075	33,38	4,214	33,85	3,136	24,74

The great importance of Aden as a distributing centre can be clearly judged from these figures, the total imports being approximately the same as the imports for the vast territories of Kenya, Uganda, Tanganyika and Zanzibar combined. Taking the 1926-27 figures, it will be noted that the total imports of greys were 54 million yards or nearly three times as much as all other classes combined. Of these grey goods more than 80 per cent are imported from Japan and China and consist mainly of 36″ grey sheetings of 10 lb. and 8½ lb. qualities. Formerly this trade in grey sheetings was held by America and India, but during the last five years America's share has dwindled to one-tenth of what it was and India's to one-sixth, whilst Japan and China's share of the trade has increased from practically nothing to between 30,000,000 yards and 40,000,000 yards per year. Japan also sends a small quantity of grey drills and grey shirtings. The actual shares held by various countries in the grey goods trade, as a whole, may be judged by

the underquoted figures which relate to the year 1927. The total value of greys imported was R134·73 lakhs made up as follows :—

	Lakhs of rupees
Imports from Bombay	10·44
„ „ Japan	57·60
„ „ China	52·81
„ „ United States of America	8·71
„ „ Other countries	5·17

In perusing these figures it should be noted that some imports credited to India in sheetings may have been re-exported goods of Japanese origin and that the imports from China were nearly all from mills under Japanese control. The chief types of goods making up India's share are grey chadars, grey drills, light-weight shirtings, grey sheetings and unspecified goods, such as Thobs.

Imports of bleached goods in 1926-27 totalled R28·26 lakhs in value, of which R20·97 lakhs were credited to the United Kingdom, R5·88 lakhs to Bombay and R1·41 lakhs to other countries.

The United Kingdom's predominating position as regards bleached goods is probably not fully represented by the above figures, while India's share is probably exaggerated, because some of the goods credited to India in the returns were undoubtedly re-exports of British manufacture. The British goods imported consist chiefly of unspecified goods, such as bordered scarves, bleached shirtings, mulls and sheetings in that order of importance. India's share consisted of mulls, unspecified goods, bleached striped shirtings and bleached sheeting.

Japan sent a fair quantity of bleached sheetings and striped drills.

In coloured, printed or dyed goods the total value of the imports in 1926-27 was R36·48 lakhs, made up as follows :—

	Lakhs of rupees
Imports from Bombay	15·89
„ „ United Kingdom	11·68

Imports from other countries, chiefly Japan, Holland, Belgium, Germany and Austria, were valued at R8·91 lakhs.

This class is made up principally of printed khangars, Madras shawls, printed and woven handkerchiefs, woven lungis, prints and chintz, printed shirtings and dyed twills.

Cotton Twist and Yarn.—The total importations of yarn into Aden in 1926-27 were valued at R33·85 lakhs, made up of—

	Lakhs of rupees
Imports from Bombay	28·97
„ „ United Kingdom	2·30
„ „ Other countries, chiefly Japan	2·58

The Indian yarns imported are practically all of 10s and 20s counts, the trade in 10s being about three times as great as that in 20s. The United Kingdom sends very little yarn of counts under 40s, the chief importations from England being 2/40s and 2/42s. There are also small imports of 2/80s and 2/82s for the Abyssinian market and of 40s single

Turkey red yarn in 5 lb. bundles. Japan has made considerable progress in yarns in the last few years and 2/42s Japanese yarn is now selling freely in competition with Manchester yarn.

Cotton blankets.—There is a small trade in light-weight cotton blankets, about 20,000 to 30,000 blankets per year for Abyssinia. At present the bulk of the blankets are credited to the United Kingdom and the Continent.

Qualities and Textures of Piecegoods selling in the Aden market. Grey Sheetings.—The paramount position which Japanese and Chinese 36″ grey sheetings hold in the Aden piecegoods trade has already been mentioned. The popularity of these goods is almost entirely due to the low prices at which they have been sold.

Grey Chadars.—There is a very good trade in grey twill chadars. The annual sales of grey twill chadars for the Abyssinia market amount to about 500,000 pieces per annum. Bombay already supplies a portion of the demand and should, with careful attention to packing, finish and headings, be able to increase her hold on the trade. Quotations for this type of chadars should be in pence.

Bleached Twill Chadars.—Bleached twill chadars are imported to the extent of 20,000 pairs per year into Aden from Manchester.

Black-bordered Bleached Chadars or Dhoties.—These cloths are used as shoulder coverings in Abyssinia and the annual sales are in the neighbourhood of 60,000 pieces per year.

Bleached shirtings.—There is a fairly extensive demand for bleached shirtings in a fairly wide range of qualities. The widths in demand vary from 27″ to 36″, but the chief demand is for 34″ goods in medium quality, goods with a glazed finish and some backfilling. In lower qualities, for which there is a demand of about 50,000 pieces per year, India has a better chance of competing than in higher qualities. These goods usually have a hard glazed finish, but little or no backfilling, are always made up in cases and each piece is separately wrapped.

Striped Drills.—The demand for Japanese striped drills in the Aden market is not very great—grey goods being preferred for garments. The sales in 1927 of Japanese drills amounted to about 20,000 pieces of 30 yards.

Lungis and woven scarves.—The lungis and woven scarves imported into Aden were originally manufactured by Indian handloom weavers. They attained great popularity, but were afterwards copied by Manchester manufacturers who placed an article on the market, which met the taste of the consumer at a much lower price. The annual sales amount to 430,000 pieces per year, the lengths per piece in the various types of scarves imported vary from $3\frac{3}{4}$ to 6 yards, the chief demand being for $4\frac{1}{2}$ yards. Widths vary from 29″ to 49″.

Merchanting Methods.—The piecegoods and yarn trade of Aden is almost wholly in the hands of three or four Indian merchants at the present time. They also maintain offices in Bombay and, in certain cases, branch offices at Djibouti and other Red Sea ports. There are also one or two large English firms, who represent English shipping houses and though some Manchester piecegoods are bought through these firms, most of the business is done direct.

Merchanting Methods

Aden is one of the few markets in which extended credit is not demanded and for most lines merchants are willing to pay cash against documents.

The Indian merchants in Aden would be very willing to assist in any effort made by Indian manufacturers to increase India's share of the piecegoods and yarn trade, but, as one of them pointed out, there is no possibility of competing, at present prices, against Japanese grey sheetings, which represent between 60 per cent and 70 per cent of the total trade. In the remaining 30 per cent to 40 per cent of the trade some progress should be possible provided that the qualities supplied correspond to or are superior to those now imported and the prices are favourable. There is no import duty on piecegoods in Aden. Port dues are light, warehousing is satisfactory. The freight from Bombay, considering the distance, is high—R22-8 per ton of 40 cubic feet and the trade would be benefited by any reduction which it is possible to obtain. We also consider that the trade would be improved considerably by more frequent personal investigation of the needs of the markets by millowners or the representatives of Indian millowners.

CHAPTER XIII.

KENYA AND UGANDA.

Commercial Summary.

Area.—Kenya 245,060 square miles.
Uganda 94,000 square miles.
Tanganyika 373,500 square miles.

Population 1926—

Country	European	Indian	Total
Kenya	12,529	26,759	2,568,999
Uganda	1,451	7,229	3,145,449
Tanganyika	4,200	10,220	4,520,000

Language.—The language in common use in commerce is English, but a fair amount of trade is carried on by Indians, and the most common Indian language in use is Gujarati.

Monetary Unit.—£1 = 20 shillings = 2,000 cents.

Weights and Measures.—The British system of weights and measures is in use.

Foreign Trade—

Kenya

(In £1,000).

	Imports	Exports
1923	2,483	1,565
1924	3,342	2,240
1925	4,196	2,725
1926	4,198	2,414
1927	5,179	3,087

Uganda

(In £1,000).

	Imports	Exports
1923	1,307	2,431
1924	2,054	3,897
1925	2,678	5,097
1926	1,964	3,596
1927	1,588	2,310

Government Imports for 1923 to 1927 for Kenya and Uganda.

In £1,000

	1923	1924	1925	1926	1927
Kenya Government stores including specie	507	3,586	2,109	138	173
Kenya Uganda Railways	379	739	1,477	1,116	841
Wasin Gishu Railway	90	36	2	..	..
Kilindini Harbour	65	97	19	8	54
Kenya Total	1,041	4,458	3,607	1,262	1,068
Uganda Government stores	85	82	111	129	117
TOTAL	1,126	4,540	3,718	1,391	1,185

Balance of Trade for Kenya and Uganda.—Excluding Government imports and including re-exports and goods in transit from Tanganyika, the excess of exports over imports for the last five years for the territories of Kenya and Uganda had the following values :—

1923, £847,953 ; 1924, £1,195,800 ; 1925, £948,218 ; 1926, £164,104 ; 1927, adverse balance £898,893.

General.—Kenya and Uganda at present form one administrative unit for purposes of customs, and between the two countries complete freedom of trade exists. It is not therefore possible to examine the trade of the two countries separately in detail. During the past thirty years there has been a gradual development of this territory, a development which is reflected in the annual figures for the value of the total foreign trade. These values have risen from £210,697 in 1896 to a sum which has approached twenty million pounds in the last four years. The expansion has been fairly continuous, with a set-back about every five or six years, due in most cases to failures of the rains. The two years which have just passed, *viz.*, 1926 and 1927, have been bad from the point of view of the production in the country, but as far as can be discovered at this stage the rains in 1928 have been good and an improvement in the purchasing power of the producer may be expected this year and with that, an increase in imports.

In the last three years, 1924, 1925 and 1926, for which figures are available, Government revenues of Kenya have been in excess of Government expenditure. At the end of 1926, the total funded Public Debt of Kenya was £8,500,000. As will be seen from the figures for Government imports given above, there has been considerable capital expenditure on such Government works as railways and harbours.

Kenya and Uganda

The combined value of trade imports and total exports of Kenya and Uganda during 1927 was £14,804,329, as compared with £15,525,258 in 1926 and £18,204,288 in 1925.

—	1926	1927
	£	£
Domestic Exports	6,010,386	5,397,216
Re-exports	1,834,295	1,555,502
Gross imports including bullion and specie	7,680,577	7,851,611

Exports.—The value of domestic exports for 1927, *viz.*, £5,397,216, may be divided between Kenya and Uganda as follows :—

Kenya £3,086,916
Uganda £2,310,300

The figure for Uganda is very much smaller than the corresponding figures for 1926 and 1925 and this is due to the smaller value of the cotton exported.

Exports from Kenya and Uganda to India.—So far as export is concerned, there are not many articles produced in Kenya or Uganda in which India can take an interest. Kenya and Uganda are agricultural countries and India can only import from them special crops which cannot be produced in India and this naturally limits the character of the export trade to India. In 1927, the value of the exports to India from the combined territories was £1,030,322 in a total of £6,952,718, or nearly 15 per cent. The principal articles entering into this trade were: (1) cotton, (2) carbonate of soda, (3) hides and skins, (4) ivory, (5) potatoes and (6) mangrove poles.

The values of the exports in 1927 of the principal commodities in which India is at present interested are given below :—

1927 Exports to India.

	£
(1) Raw Cotton	958,396
(2) Carbonate of Soda	21,275
(3) Hides and Skins	21,266
(4) Ivory	17,138
(5) Potatoes	2,920
(6) Mangrove Poles	1,022

Cotton.—The total value of the cotton exported in 1927 from Kenya and Uganda was £1,816,244 and of this India took fully 50 per cent valued at £958,396. Great Britain and Japan were the other large buyers, their purchases being £458,000 and £382,000, respectively. The cotton is almost entirely from Uganda. It continues to be the item of first importance in the list of exports. During 1927 weather conditions in Uganda were unfavourable to the crop and this, together with the adverse conditions in the world's cotton markets, was largely responsible for the decreased yield in the crop of that year. Indian cotton interests in Uganda are strong and the purchase of Uganda cotton for India is likely to continue on an increasing scale.

Hides and skins.—The value of the hides and skins exported to India in 1927 was £21,266. It was difficult to find out much about this trade but it seems improbable that these hides and skins were brought to India for any other purpose than re-exports with consignments of Indian hides and skins from India. In any case it is difficult to contemplate the possibility of India becoming an importer of East African hides and skins in any quantity.

Ivory.—In 1927 the total exports of ivory were valued at £91,913 and in this India's share was £17,138. The ivory exported is not always a local product; about 30 per cent of it is brought across the border from countries in Central Africa. The trade is very much on the decline and it is not probable that it will regain the magnitude it once possessed.

Carbonate of soda.—The company holding the concession for the extraction and export of carbonate of soda has recently been reorganised and the export statistics for 1927 now show a very much increased output. India has always been interested in this commodity and in 1927 was responsible for export from Kenya to the value of £21,275. The value of the total exports of soda in 1927 was £263,129 and of this Japan took £215,972. The ships which bring cotton piecegoods to Mombasa from Japan take away either raw cotton or carbonate of soda and having a traffic in both directions, Japanese shipping companies are in a position to quote low freight rates for cargoes. In the financial year 1926-27 India imported about 50,000 tons of carbonate of soda and of this only some 3,300 tons came from Kenya. Detailed price examination was not possible in the short time available, but from the Indian statistics it would appear that the average cost of Magadi soda is less than the average price of the soda imported from the United Kingdom. It, therefore, appears that the relative quality prevents the development of the trade from Kenya to India.

Potatoes.—Potatoes grow exceedingly well in Kenya. They are exported to many places along the east coast of Africa and are used by ships for store supplies. In 1927 the total value of the exports was £10,036 and of this India's share amounted to £2,920. India imports considerable quantities of potatoes from Italy and if collection, sale, grading and export of potatoes in Kenya were placed on an organised basis there is no doubt that a trade of fair dimensions with India could be established.

Wattle bark and wattle extract.—In 1927 the export trade of wattle bark was valued at £17,338 and of wattle extract at £19,188. Of the wattle bark, India only took 540 cwts. valued at £203. India's total requirements of wattle bark are very high but supplies are at present drawn chiefly from Natal. The wattle plantations in Kenya, which have been rather neglected since 1914, are now receiving greater attention and may be expected to produce at a price which should interest the Indian tanners in the near future. At present Germany, Great Britain and Japan are the principal destinations for Kenya's export of this commodity, and so far Indian tanners have not displayed any great interest in wattle extract. Natal has advantages over Kenya in that the shipping from Durban to Madras, where the wattle bark is used is more regular and definite.

The other commodities appearing in the export trade of Kenya and Uganda in large quantities, such as coffee, sisal, etc., are not such as may be expected to find a market in India and apart from the few export lines already dealt with, it is difficult to discover other directions in which expansion seems possible.

Imports into Kenya and Uganda from India.—Excluding Government stores, bullion and specie, the total values of the imports for the last three years were :—

1925	1926	1927
£	£	£
8,061,448	7,440,749	7,697,180

and India's share in this trade was (1925) £878,745 ; (1926) £757,847 ; (1927) £676,926. There is a definite falling off in the export trade from India to Kenya and Uganda which compares unfavourably with the trend of Japan's competing trade as will be seen from the following figures for that country : (1925) £312,536 ; (1926) £290,048 ; (1927) £319,680.

The commodities imported from India in large quantities are again few in number and confined to the usual lines. The larger items for 1927 were as follows :—

Chief imports from India in 1927.

	£
Rice, millet, pulse and dhall	87,650
Wheat flour	58,196
Garlic and onions	3,638
Ghee	3,921
Spices	11,698
Tea	59,205
Teakwood	13,649
Tiles	7,588
Furniture	1,708
Wood manufactures	2,225
Cotton goods	144,471
Coir matting	1,767
Cordage, ropes, etc.	7,416
Jute bags and sacks	160,418
Jute piecegoods	12,152
Boots and shoes	4,968
Hats and caps	2,765
Drugs, medicines, etc.	2,680
Dressed leather	13,498
Leather goods	2,711
Umbrellas	2,256
Articles by parcel post	30,129

From this list it will be seen that the main items in the import trade from India are—(1) jute manufactures, (2) cotton goods, (3) rice, etc., (4) tea, (5) wheat flour, (6) leather goods including boots and shoes, (7) teakwood and (8) spices. The other items, although relatively small in volume, are numerous and in the aggregate form a fair miscellaneous trade.

Jute manufactures.—Of the total trade in jute manufactures valued at £173,587 in 1927, India's share amounted to £172,570 and may, therefore, be taken as a monopoly. Great Britain had the small balance.

Cotton goods.—This item is the subject of special reference and is dealt with in detail at pages 135-145.

Rice, millet, pulse and dhall.—The total value of the imports of rice in 1927 was £159,639 and of this India's share was £78,455. Tanganyika was the chief competitor, supplying rice to the value of £81,132. Rice from India was actually supplied at a lower price than from Tanganyika, but the production in the latter territory is expanding and the rice trade from India to Kenya is one which will probably diminish in volume in future. In 1927 India sent millet to the extent of £1,604, pulse to the value of £1,891 and dhall worth £5,700. In the case of millet and pulse, Tanganyika was again the largest competitor for the trade.

Wheat flour.—In this article India has practically a monopoly of the import trade. The total figures for the 1927 import trade were £58,739 and to this total India contributed £58,196. There is a desire to encourage the local milling of wheat, but so far very little progress has been made and the imports from India will probably continue for some considerable time.

Tea.—In 1927 the value of the total imports of tea was £78,624. To this total India contributed £59,205, being the value of 633,000 lbs. of tea. The total quantity of tea imported in 1927 was 893,000 lbs., so that the country is not really a very big market for tea. Cultivation of tea locally has already proved a success and as two large Indian tea growing interests have taken up this question of expanding the local industry it is highly improbable that there will be any increasing field for Indian tea in Kenya and Uganda.

Leather, leather goods, boots and shoes.—The total value for these commodities imported in 1927 from India was £21,177. Of this sum, dressed leather was responsible for £13,498, boots and shoes for £4,968 and other leather goods for £2,711. Under dressed leather the import from all countries was valued at £14,195 so that India has a very large share of this trade; in boots and shoes the total imports were valued at £24,126 but a large proportion of this trade is European which it would be difficult for India to capture. In other leather goods, the total imports only amount to £10,475 and India is fairly well represented already with about 27 per cent of the trade, but as the finish of Indian leather goods is improved a larger share could probably be obtained.

Timber.—The total imports of timber in 1927 were approximately £37,000 and this included teakwood to the extent of £13,649, all of which came from Burma. In the other classes of timber India's share was almost negligible. In the regions beyond Nairobi, where rain is fairly plentiful, there are large forests and the tendency now is to use local woods to an increasing extent. Teakwood is preferred, of course, for many purposes, but the cost is frequently prohibitive.

Spices.—In this commodity India, again, has a very large share of the trade. Last year the total imports were valued at £16,212, while those from India alone in this group were worth £11,698.

There are one or two lines of import trade into Kenya and Uganda in which India might expect to participate to a greater degree than she does at present *e.g.*, the import of awnings, tarpaulins and tents. The value under this head in 1927 was £9,587 and India only sent goods to the extent of £7,511.

As will be seen from the table of principal imports on page 130, there are quite a number of commodities which India sends to Kenya and Uganda in

relatively small quantities but which, as a whole, amount to a fair figure in a year. India has advantages of position and associations in respect of East Africa and this general trade will most probably continue to grow with the development of the country.

Customs Tariff.—There is a free trade agreement between the three territories, Kenya, Uganda and Tanganyika, whereby an article which has paid import duty in any one country of the group may pass freely into another member of the group without paying further import duties. This arrangement came into force on 1st August, 1927.

The value of goods upon which duty is leviable *ad valorem* is the value of the goods at the port of shipment together with the cost of packing, loading, freight, insurance, landing and all other charges up to the time of deposit of such goods in customs premises at the place of importation.

The Schedule is divided into those articles on which specific import duties are paid and those on which import duties at various rates are levied *ad valorem*. The following list gives the import duties on articles interesting to India from the point of view of trade :—

Import Duties—Specific.	per.	Shs.	cts.	
Butter not imported in tins	lb.	1	0	
Wheat—				
(*i*) in the grain	100 lbs.	5	0	
(*ii*) ground or otherwise prepared	,,	6	0	
Rye—				
in the grain or raw	,,	3	0	
Rice	,,	5	0	
Dhall (pulse)	,,	6	0	
Cotton piecegoods, grey unbleached, imported in the piece	lb.	0	40	gross weight including package.
Dates	100 lbs.	4	0	
Ghee	lb.	1	0	
Tea	,,	0	45	
Cigars or cigarettes	,,	4	0	or 50 per cent *ad valorem* whichever shall be the greater.
Tobacco, unmanufactured	,,	0	50	

Import duties : *ad valorem* 30 per cent.—Oils, essential and perfumed. Timber, not including plywood and similar manufactures of timber.

Import duties : *ad valorem* 10 per cent.—Bricks and tiles for building purposes, slates for roofing; asbestos sheeting, toys and implements used exclusively for playing indoor and outdoor games.

Import duties : *ad valorem* 20 per cent.—All goods, wares and merchandise not elsewhere charged with duty and not free and not prohibited are charged with a duty of 20 per centum *ad valorem*.

Import duty free.—Coal, coke and patent fuel; liquid fuel, being crude or residual oil not suitable for purposes of illumination. Samples which the Commissioner of Customs shall decide to be of no commercial value. Drawback of import duties is allowed if the goods on which duty has been paid are re-exported within twelve months of date of entry.

Treaty Rights in East Africa. Congo Conventional Basin.—The Convention of St. Germain-en-Laye, September 10th, 1919, Articles 1 to 9, provide for complete equality of economic treatment of the Nationals of the United States, Belgium, the British Empire, France, Italy, Japan, Portugal and of other States members of the League of Nations.

The following territories are comprised in the Conventional Basin :—

Kenya.
Uganda.
Zanzibar.
Tanganyika.
Nyasaland.
The northern half of North Eastern Rhodesia.

The southern half of the last mentioned territory comes within the sphere of the Zambesi Basin.

As far as Tanganyika is concerned, Article 7 of the Mandate for that territory provides for similarly economic treatment of all States members of the League of Nations.

Landing charges at Mombasa Harbour.—For the following charges the tonnage is as per bill of lading tonnage and the value is that accepted for customs purposes *plus* the customs duty payable in each case.

Landing charges for—

(*a*) *Imports* :—

Wharfage, at 1 per cent on the duty paid value.
Handling, 4*s*. per bill of lading ton (minimum charge 2*s*.).

(*b*) *Exports* :—

Wharfage and handling as per a special commodity schedule which works out at approximately 4*s*. *plus* ½ per cent of the value of the exports.

(*c*) *Transhipment Cargo.*—When such cargo is entered on a transhipment bill of lading, and is landed and re-shipped the following charges apply :—

Transhipment cargo ex-Kenya, Tanganyika, Zanzibar and Seychelles ports :—5*s*. per B. L. ton. All other transhipment cargo : 7*s*. 50 cents. per B.L. ton for wharfage and handling in and out.

For transhipment cargo free storage is allowed for 21 days from the date of landing, after that period transit shed storage rent is charged, *viz*., 1*s*. per B.L. ton or part thereof per week or fraction of a week.

Railways and Harbours.—The railways and harbours of Kenya and Uganda are Government-owned and run by Government. The new Mombasa harbour is situated at Kilindini in the channel between the island of Mombasa and the mainland. At present there is only accommodation alongside the quays for two ships, but further extensions are in hand. When the quays are both occupied, ships lie out in the harbour and discharge into lighters, but the total landing charges are the same in both cases.

From Kilindini pier and the town of Mombasa a railway crosses to the mainland and runs in a northwesterly direction to Kisumu on Lake Victoria. It has branches to Moshi in Tanganyika, Lake Magadi, Neyeri and Turbe. It is a single line and the gradients are fairly steep in many places. The highest point reached is about 8,200 feet above sea-level. On Lake Victoria there are connecting steamers for both passenger and goods traffic.

The policy which governs the freight charges on the railroads is one aimed at encouraging the export of the produce of the country and as the railways are run as a commercial proposition other classes of goods of less importance to agricultural development have naturally to bear higher freight rates.

Banks.—The principal banks in Kenya and Uganda are— (1) The National Bank of India, Ltd., (2) The Standard Bank of South Africa, Ltd., and (3) Barclays Bank (Dominion, Colonial and Overseas). The National Bank of India, Ltd., has branches at Mombasa, Nairobi, Eldoret, Nakuru and Kisumu, all in Kenya, and at Entebbe, Jinja and Kampala in Uganda.

The Standard Bank of South Africa, Ltd., has branches at Mombasa, Nairobi, Eldoret, Nakuru, Kisumu, Kitale, Nyeri, Soy and Turbe in Kenya, and at Jinja and Kampala in Uganda. Barclay's Bank has branches at Mombasa, Nairobi and Eldoret in Kenya.

The three territories, Kenya, Uganda and Tanganyika, have no lack of banking facilities. For these combined territories, the following figures are interesting as illustrating the extent to which the development of the country is being assisted by the banks :—

	£
(1) Total debit transactions during the quarter January-March, 1927	31,015,908
(2) Total deposits on 31st March, 1927	7,817,084
(3) Total cash in banks on 31st March, 1927	1,299,242
(4) Loans and advances on 31st March, 1927—	
(*a*) Outstanding to agriculture	2,768,124
(*b*) Outstanding to commerce	1,973,561

Chief Towns.—Mombasa is the largest town in Kenya. It is situated on a small island separated from the mainland by a creek in which the harbour of Kilindini is being constructed. Mombasa is also the most important business centre in either Kenya or Uganda and most of the import and export trade of the two territories is controlled from this town. The population is about 40,000 including 850 Europeans.

Nairobi is the headquarters of the Government of Kenya. Almost 327 miles from Mombasa by rail and some 5,400 feet above sea-level, it is much more a retail centre for the Europeans who own plantations in the high lands. The population is 33,000 including nearly 4,000 Europeans.

CHAPTER XIV.

THE COTTON PIECEGOODS AND YARN TRADE OF KENYA AND UGANDA.

Imports of piecegoods into Kenya and Uganda for home consumption in the years 1926 and 1927.

Class of Goods	Country of Origin	1926		1927	
		Quantity in 1,000 yds.	Value in £1,000	Quantity in 1,000 yds.	Value in £1,000
Grey, unbleached	Great Britain	72	2	148	3
	India	2,911	63	2,880	55
	Japan	8,264	203	8,630	160
	Holland	5	..	40	1
	Germany	..	..	..	..
	Belgium	..	..	..	..
	United States of America.	2,718	52	4,983	76
	Total all countries	14,195	323	16,987	306
Bleached	Great Britain	1,674	53	1,754	46
	India	70	2	18	1
	Japan	215	5	444	9
	Holland	763	24	916	24
	Germany	28	1	21	1
	Belgium	..	..	..	..
	United States of America.	..	..	..	..
	Total all countries	2,767	87	3,175	80

Imports of piecegoods into Kenya and Uganda for home consumption in the years 1926 and 1927—contd.

Class of Goods	Country of Origin	1926		1927	
		Quantity in 1,000 yds.	Value in £1,000	Quantity in 1,000 yds.	Value in £1,000
Printed	Great Britain	2,120	78	2,068	66
	India	68	3	136	4
	Japan	18	1	499	12
	Holland	226	8	442	15
	Germany	54	2	66	2
	Belgium	..	..	20	1
	United States of America.	..	..	..	..
	Total all countries	2,519	92	3,401	105
Dyed in the piece	Great Britain	2,750	152	3,726	174
	India	218	8	202	6
	Japan	203	4	316	7
	Holland	447	20	754	27
	Germany	59	5	86	4
	Belgium	17	1	10	1
	United States of America.	19	1	..	..
	Total all countries	3,769	194	5,221	227
Woven coloured	Great Britain	697	35	900	38
	India	2,092	58	2,342	60
	Japan	1,188	28	2,955	59
	Holland	1,024	51	1,527	64
	Germany	110	6	121	5
	Belgium	553	28	345	18
	United States of America.	..	..	..	..
	Total all countries	5,760	214	8,306	250

Imports of piecegoods into Kenya and Uganda for home consumption in the years 1926 and 1927—concld.

Class of Goods	Country of Origin	1926		1927	
		Quantity in 1,000 Nos.	Value in £1,000	Quantity in 1,000 Nos.	Value in £1,000
Blankets	Great Britain	34	7	46	7
	India	57	6	60	5
	Japan	..	..	..	..
	Holland	1,067	108	1,244	111
	Germany	148	7	121	14
	Belgium	185	25	162	19
	United States of America.	..	..	..	..
	Total all countries	1,543	123	1,669	162

Share of cotton piecegoods imported into Kenya and Uganda for consumption in Uganda.

Class of Goods	1926		1927	
	Quantity in 1,000 yds.	Value in £1,000	Quantity in 1,000 yds.	Value in £1,000
Grey, unbleached	6,533	155	6,768	121
Bleached	2,027	64	1,996	51
Printed	996	35	958	28
Dyed in the piece	3,775	201	3,809	167
Woven coloured	1,752	77	2,693	92
Blankets (no. in thousands)	571	68	484	49
Total for Uganda	—	600	—	508
Total for Kenya and Uganda	—	1,083	—	1,124

The Cotton Piecegoods of Kenya and Uganda.—The excellent statistics prepared by the Commissioner of Customs for Kenya and Uganda from which the tables on the preceding pages have been prepared make it possible to obtain a very good idea as to the general trade of the two countries in cotton piecegoods, and they give an approximate idea as to the share of that trade held by various exporting countries. It is stated in the Commissioner's report that imports are credited, where possible, to the country in which the goods have been manufactured or produced but that, where particulars as to the country of origin are not available, the goods are credited to the country of despatch. It is necessary in studying the share of the piecegoods trade attributed to India to remember that despite the inauguration of a direct steamship service from Osaka to Mombasa, it is still a common practice for merchants to import Japanese piecegoods from Bombay and it is possible that in certain classes of goods the imports from India are not all of Indian manufacture. It is difficult to estimate exactly what proportion of foreign goods have been attributed to India, since the statistical year covered by the Indian export returns does not coincide with the statistical year in East Africa.

In the year 1927 the development of the country, which has now been going on for many years, continued but the results were not adequately reflected in the figures of quantities and values of the cotton piecegoods imported, owing to a partial failure of the Uganda cotton crop, on which the purchasing power of Uganda so largely depends, and the lower values of imported cotton piecegoods.

The average value of the cotton textiles imported in 1927 was 6·2 pence per yard as compared with 7·5 pence in 1926 and the average value of cotton blankets fell from 2*s.* 3*d.* each in 1926 to 1*s.* 11¼*d.* in 1927. The success of the coffee and maize crops in Kenya, however, prevented a falling off in the total yardage of piecegoods and by an agreement entered into between the Governments of Kenya, Uganda and Tanganyika under which a system of free interchange of imported goods merchants are now enabled freely to transfer their stocks to meet seasonal requirements in any of the three territories and this has tended to relieve the stock position as compared with the position at the end of 1926.

The figures for cotton piecegoods in the Kenya and Uganda statistics are divided into six main classes, *viz.*, grey (unbleached), bleached, printed, dyed in the piece, woven coloured and blankets and the table on pages 135—137 shows the quantity and value imported in each of these six classes for the calendar years 1926 and 1927 from the chief supplying countries. The table on page 137 studied in conjunction with the preceding table indicates approximately the share of each class imported for consumption in Uganda. The effect of the failure of the Uganda cotton crop in 1926-27 is reflected by the proportion of the total imports of cotton piecegoods taken by that country in the year 1927. The value of Uganda's takings in 1927 was only 45 per cent of the totals against 56 per cent in the previous year. The prospects for the year 1928 are considerably brighter for, though the 1927-28 cotton crop was small, the prices realised were high and with a reasonable harvest in Kenya it is permissible to expect that the

1928 import returns of cotton piecegoods will be considerably heavier than in 1927.

India's sendings of piecegoods to Kenya and Uganda in 1927 amounted in value to £130,282 out of a total of £1,124,113—roughly 12 per cent—but the figures for the last four years show that she is not holding her own in this market. Comparing the figures for 1924 with those of 1927, the shares of the leading countries in the total trade were as under :—

Country.	1924	1927
	Per cent	Per cent
Great Britain	33	30
India	18	12
Germany	3	2
Holland	14	21
Japan	23	22
United States of America	4	7
Other countries	5	6

India's share in the six main classes decreased by 2 per cent in unbleached goods, 5 per cent in bleached goods, 2 per cent in printed, 6 per cent in dyed, 7 per cent in woven coloured and 22 per cent in blankets. The serious loss in cotton blankets is worthy of close study by Indian manufacturers. Nearly all the trade lost by India in the blanket trade has been gained by Holland, which with Belgium practically monopolises the market.

Grey, unbleached.—In 1927 the yardage of piecegoods of this class imported for consumption in the two countries was roughly 17 million yards against a total of 14 million yards in 1926. Out of this total of 17 million yards, Japan's share amounted to over 8½ million yards, chiefly 36″ grey sheetings, 10 lb. × 30 yards quality, which during the last four or five years have replaced Indian grey sheetings of lighter weight. According to H. M. Trade Commissioner in East Africa, Japan was aided in consolidating her position in this trade by the off-loading of stocks surplus to Indian requirements by importers in Bombay, the establishment of direct shipping lines, control of Japanese-owned mills in China and the elimination of a number of competing marks and also by the fact that a large proportion of the grey sheeting trade is handled by houses who deal in the export of a fair percentage of the Uganda cotton crop. It is, however, reassuring to note, in qualification of the Trade Commissioner's remarks, that the United States of America managed to regain some of the ground which she had lost in standardised light weight sheetings, 5 lbs. to 7 lbs. × 36″ × 30 yards, of which she sent nearly 5 million yards in 1927 as against just over 2½ million yards, in 1926. India's total sendings of greys were 2·9 million yards, chiefly grey chadars. The imports of greys from other countries have for many years been inconsiderable.

Bleached goods.—The consumption of bleached goods in Kenya and Uganda is very much smaller than that of greys. The total for 1927 was 3·2 million yards as compared with 2·8 million yards in 1926. Great Britain supplied well over 50 per cent of the total, chiefly highly finished bleached shirtings. Holland's sendings amounted to just over 916,000 yards, chiefly bleached shirtings which in some markets are preferred to those of the United Kingdom. Japan is obtaining an increasing share in the trade in bleached goods. Some two years ago she introduced a very cheap highly finished shirting which is obtaining an increasing market and her white drills which ousted American drills from Kenya and Uganda some few years ago have retained their popularity by reason of their low prices. India's sendings of bleached goods are insignificant as there is little or no demand for pure soft finished goods such as Indian mills produce for the Indian market and the prices at which most Indian bleached goods are quoted are considerably higher than those of other countries.

Prints.—The prints market in Kenya and Uganda consists chiefly of printed shirtings and black printed khangars, the latter class of goods predominating.

In khangars the trade is divided among Great Britain, Holland, India and Germany, Great Britain possessing the larger portion of the trade. England's position is, however, being seriously threatened by well organised competition from Holland and to a lesser extent from Germany. India's share of the trade in 1927 was 136,000 yards and consists almost entirely of cheap printed bedspreads from Ahmedabad which are appreciated by the poorer class of Africans on account of their excellent wearing qualities; in appearance they are very much inferior to the khangars imported from Great Britain and Holland. In printed shirtings Japan is making a strong bid for the market with a light-weight striped jean printed in very bright colours and in a large range of very attractive designs. This cloth, printed in fugitive colours, is extremely popular and many dealers stated that the faster coloured, but higher priced, English lines against which it competes are almost unsaleable. The total output of all classes of printed goods increased from 2·5 million yards in 1926 to 3·4 million yards in 1927, a large portion of this increase being accounted for by the increased sendings from Japan.

Dyed in the piece.—There was a considerable increase in the demand for piece dyed goods in 1927 as compared with 1926, the figures being 5·2 million yards and 3·8 million yards, respectively.

The chief cloths imported are khaki drills, black and blue kaniki, hodrunks and black Italians. England held nearly ¾ of the total trade and in certain lines such as black Italians, khaki drill and the higher qualities of the kaniki, had almost a monopoly of the market. Holland was second to England as a supplier of dyed goods, her main lines being hodrunks, certain qualities of kaniki and a cheap heavy-weight khaki drill. Germany's sendings of 86,000 yards are chiefly khaki drill of low quality and heavy weight. India lost ground in 1927 as compared with 1926; her sendings consist chiefly of black kaniki. The loss just referred to was probably of a temporary character. At the time of the Mission's visit to Kenya, Indian black kaniki (black dyed longcloth) was being imported in increasing quantities. In Japan's imports

of 316,000 yards coloured flannelettes bulk largely, and she is also sending a certain quantit y of red dyed shirting.

Woven Coloured Goods.—Woven coloured goods constitute the second largest class of goods imported into Kenya and Uganda. In 1927 the total importations were 8·3 million yards, a considerable increase over the figure for the previous year.

The United Kingdom holds what is for her a very small portion of the market. Her sendings in 1927 totalled only 900,000 yards and chiefly consisted of high class shirtings and dress materials for the European trade. Japan heads the list of exporting countries with a total of 3 million yards, principally striped drills. India holds a fair proportion of the trade in woven coloured goods with a total of 2·3 million yards consisting of woven lungis and sarongs, striped chadars, cotton trousering, hand woven kikoys (lungis) and a small quantity of artificial silk goods. Holland's share of 1·5 million yards consists mainly of woven kikoys and similar garments, while Germany's small trade is chiefly in artificial silks.

Cotton Blankets.—Out of a total of 1·7 million blankets imported in 1927, Holland supplied no less than 1·2 millions, the bulk of which were the products of the looms of one manufacturer, Van Heek & Co. (Enschede, Holland), chiefly light-weight qualities. Germany supplied 121,000, mainly of the printed variety. Belgium's share, 162,000 blankets, was mainly in heavier weights and wool and cotton mixtures. Indian mills, some years ago, held a large share of the cotton blanket market in Kenya but, except for a few light-weight raised blankets, her trade is now confined to the lowest class of unraised blankets.

Types and styles of cloths in demand in Kenya and Uganda. Grey sheetings and shirtings.—In grey goods, apart from chadars and a little grey longcloth imported from India, and a few grey drills from Japan, the only imports of any importance into Kenya and Uganda are the 36″ grey sheetings from America and Japan.

The American grey sheetings popular in the countries are all of 36″ width, but vary in weight from 5 lbs. to 7 lbs. per piece of 30 yards. They are pure finished and uncalendered and are sold by the bale of 25 pieces, but the average annual demand over the last five years has been about 400 bales. The most popular weight is probably the 5½ lb. quality. The c. i. f. prices Mombasa for the various qualities on 17th April, 1928 were approximately as below :—

5	lbs.	quality	210	*sh.*	per bale.
5½	,,	,,	230	,,	,,
6	,,	,,	260	,,	,,
6½	,,	,,	275	,,	,,

In Japanese sheetings the heaviest sales are in a quality 36″ × 30 yards × 10 lbs. There are several popular marks in this line, *viz.*, Cat and Hat brand calendered finish, Dragon "C" uncalendered and CCC uncalendered. There

are a number of other brands on the market in 10 lb. qualities, but their sales are not very large at the present time.

The Dragon " C " quality is usually saleable at a slightly higher rate than other qualities. The total sales of 10 lb. qualities vary between 7,000 and 9,000 bales per year in Kenya and Uganda and there is a tendency for the demand to increase at the expense of bleached goods.

During the last two years the Japanese have also been selling a somewhat lighter weight grey sheetings.

Grey Drills.—There is a demand amounting in all to a few hundred bales per year for Japanese grey drill 13½ lbs. × 29½" × 40 yards. By far the largest sales are in Toyo grey drill—2 Geese brand—which on 18th April, 1928 was selling at 22*s.* per piece, duty paid, Mombasa, which works out at about 16*s.* per piece c. i. f. Mombasa. Two or three other Japanese marks are also selling in small quantities.

Bleached Shirtings.—The total demand for bleached shirtings amounts to between 2,000 and 3,000 bales per year. A large range of qualities and weights are supplied, but the range of widths is limited, nothing over 36" being in demand. The trade is shared between Great Britain and Holland, the best and lowest being from Holland, and the medium qualities from England. The heaviest sales are in low qualities.

Bleached Drills.—The sales of bleached drill are not at present large, the demand being chiefly confined to the Indian and European population at the coast. What sales there are, are divided between Spinners bleached drill and a Japanese bleached drill 28"/29" × 40 yards × 14 lbs. A new quality has recently been seen on the market, 28"×40 yards, of Dutch manufacture, but it has not a large sale.

Khaki Drill.—Khaki drill, from year to year, is becoming a more and more general article of clothing in Kenya, Uganda and Tanganyika. It constitutes the material of the every day dress of almost all the European farmers. It is also universally used for the uniforms of the native servants, the troops, the police and the subordinate railway staff. The total sales of all qualities of khaki drill amount to between 2,000 and 2,500 bales a year. The chief demand is for a high class heavy-weight, hard-wearing fabric. England supplies 95 per cent of the demand for the high class khaki and the lower end of the trade is catered for by Holland and Germany. Spinners khaki, shades No. 1 and No. 2 and " Rhino " brand khaki are the best sellers and between them account for about 1,500 bales per year.

Blue Drills.—Though the demand for indigo-blue drill is not at present very large, it is gradually becoming more popular as an article for the production of workmen's clothing.

Black Mercerised Twills, Sateens and Italians.—England has a very complete hold on the trade in fine black goods. The sales of these cloths amount to between 1,500 and 2,000 cases per year. The cloth is used by the female Mohammedan population in the coastal belt and by certain classes of native women who, though not always Mohammedan by religion, adopted the Arab dress in the days of the Arab occupation.

Kaniki.—Kaniki is the local name given to black or indigo-blue dyed long-cloth cut to garment sizes. A garment is usually 46″ wide × 66″ long and two pieces of this length constitute a complete dress for certain sections of the native female population. Kaniki is imported in several qualities. The black kaniki usually has a very highly glazed finish and is imported chiefly from England and to a lesser extent from India. There is a special type of black kaniki, called kaniki sufi imported from England which is really a black Italian, cut to size, but its texture makes it of technical interest only to Indian mills.

Blue kaniki is imported chiefly from Holland. It is made up and packed slightly differently from black kaniki and, as a general rule, comes in 25 scores per bale, each two garments wrapped in blue paper, and 10 such pieces are made up in one bundle.

Kikoys and Subhayas, etc.—Kikoys and subhayas are the trade names given to special types of lower garment worn by the native population in the coast belt of East Africa generally. In reality, they correspond, more or less, to the woven lungis of Ceylon and Madras. The sales amount to between 15,000 and 20,000 scores per year and the chief sources of supply are England, Holland and Belgium. They come in a wide range of qualities and designs. The sizes of kikoys worn in East Africa vary from 46″ × 76″ to 50″ × 80″, the most common size being 46″ × 76″. Its distinguishing features are a bright multi-coloured border 2″ to 5″ wide running down each side of the piece, a taraza heading and a corded stripe of grey or coloured yarn down the centre of the ground which may be either grey or self coloured. Occasionally in grey ground kikoys there may be stripes similar to the border, running through the ground at regular intervals. Subhaya, kitambe, mugta, gulabi, maji hariri, dubvali are local names given to garments similar to the kikoys, but with striped coloured grounds and deep woven heading above the taraza heading.

Hodrunks.—Hodrunks is the trade name given to a fine longcloth dyed to a special brown shade in 8-yard lengths. A feature of the cloth is the 4 line red heading without which it will not sell. It is chiefly used for making the "Kanju," a long wide sleeved garment similar to that worn by Arabs. Holland and England supply the bulk of the demand which at the present time amounts to 600 bales per year. Indian mills formerly supplied a portion in the lower qualities, but has been out of the market for some years.

Arab Shawls.—These are often worn by the male Arab population in the coast in the manner of kikoys. The sales are limited in extent and they are only of technical interest to Indian manufacturers.

Striped Drills.—During the last three years Japan has made great advances in East Africa in striped drills. They are used largely by the native and Indian population for making shirts and kanjus and have largely displaced English low quality shirtings and bleached goods. The prices at which these goods have been offered have generally been from 15 per cent to 20 per cent below those offered by other countries for similar qualities. The original quality was 27″ × 30 yards × 7½ lbs. but latterly shipments have been made

of lighter weights. As in most other countries visited by the Mission, these goods are extremely popular on account of their low price and attractive appearance. A very wide range of designs is offered.

Cotton Tussores.—Cotton tussores sell to an extent of about 150 cases per year. A somewhat lower quality is also selling in Uganda for the native trade against which some of the tussores manufactured in India should be saleable in small quantities.

Artificial Silk Scarves.—Germany, Austria and Czechoslovakia are rapidly building up a lucrative and fairly extensive trade in Uganda in artificial silk fringed scarves. The better qualities are imported by post parcel, *viâ* England, in 20 to 22 lb. parcels, the freight on goods sent by post being lower to Kampala than if sent as baled goods. The lower qualities of scarves are imported in the piece. They are then cut to size and fringes added in Mombasa. The demand for this class of goods extends to 30,000 to 40,000 scores per year in Uganda alone.

Printed Shirtings.—Until the middle of 1926 England practically monopolised the market in printed shirtings. Since that time the Japanese have entered the market with a printed jean and at the time of writing English printed shirtings were practically unsaleable. The quality which the Japanese are now sending is 5½ lbs. per piece of 28″ × 30 yards. The original weight was considerably higher. A very large range of patterns can be obtained and the cloth is undoubtedly very popular. The price taken from a prominent merchant's invoice for the 5½ lb. quality on 5th April 1928 was 6·05 yen per piece, c. i. f. Mombasa (about 11*s.* 4*d.*). The price includes a discount of 3½ per cent. The English competitive line was at least 5*s.* per piece higher in price. The sales of this Japanese line in 1927 amounted to nearly 3,000 cases of 30 pieces each, but are adversely affecting the demand for striped Japanese drills.

Printed Khangars.—The khangar is a block-printed garment worn tightly wrapped round the breasts by East African women. They are only of technical interest to Indian manufacturers.

Cotton Blankets.—The market for cotton blankets in Kenya and Uganda is extensive. In 1927 the imports totalled in all 1·7 million blankets and there is also a large demand in Tanganyika. Holland and Belgium supply practically all the blankets imported. Some five or six years ago India had a large share of the trade but lost it to Holland which manufactured a somewhat superior article at a lower price than Indian manufacturers were then in a position to offer. Holland is now firmly entrenched in the market and keeps a very close watch on the changes in the character of the demand through her resident agents. The designs of headings are frequently changed and merchants' requirements are met in regard to credits. A certain amount of stock is maintained at Mombasa by the agents of the manufacturers and petty wholesalers are accommodated with small lots from current stocks but at slightly higher prices than those offered to larger firms on indent from Holland. Purchases of Dutch blankets are not allowed to be made except through the local agents.

Cotton Blankets

Belgium still retains a share of the trade in heavy blankets. Eighty per cent of the cotton blankets sold are of the raised variety and the chief demand is for the following sizes and weights :—

48″ × 78″ weight 2½ lbs.
54″ × 80″ ,, 3 ,,
60″ × 90″ ,, 3½ ,,

There is a small demand in Uganda, 500 bales per year, for mixed cotton and wool blankets. This class of blankets may be of interest to the few mills producing similar goods in India.

CHAPTER XV.

ZANZIBAR.

Commercial Summary.

Population.—216,790 (census of 1921 for non-natives and census of 1924 for natives.)

This is divided as follows :—

British	222
Other Europeans	50
Arabs	18,884
British Indians—	
(1) Hindus and Mohammedans	12,588
(2) Parsees	216
(3) Others	42
Seychelles, etc.	88
Portuguese Indians	869
Natives	183,831
	216,790

Language.—From the composition of the populace there are many languages in use, but the languages of commerce are English and Gujarati. The majority of the Indians ordinarily use Gujarati.

Monetary unit.—Indian rupee currency ;

1 rupee = 16 annas = 1*s.* 6*d.* gold.

= 100 cents.

Weights and Measures.—The British system of weights and measures is used in business.

The Frasila is used as the local measure of weight for cloves. 1 *Frasila* = 35 lbs.

Foreign Trade.—

In £1,000.

	Imports		Total Imports	Exports of produce	Re-exports		Total Exports and Re-exports	Total Trade
	Merchandise	Bullion and Specie			Merchandise	Bullion and Specie		
1924	1,724	252	1,976	1,135	804	93	2,032	4,008
1925	1,790	44	1,834	1,236	677	117	2,030	3,864
1926	1,627	7	1,634	919	661	6	1,586	3,220
1927	1,769	2	1,771	1,142	682	4	1,828	3,599

The unit is £1,000 and conversion from rupees to sterling has been made at the average rate of exchange ruling during the year in question.

Foreign Trade

General.—The financial position of the Zanzibar Protectorate is fairly simple as will be seen from the following table :—

In £1,000.

—	Total Revenue	Total Expenditure	Balance of Assets
1924	493	452	640
1925	578	543	675
1926	449	650	475
1927	538	622	434

£100,000, 3 per cent Debentures to bearer were issued in London in 1901—principal repayable at any time on or after 1st October 1916 and not later than 1st October 1931. 2½ per cent of issue is appropriated annually from Revenue and the amount in this Sinking Fund so formed on 31st December 1927 was £98,746. £200,000 was lent to H. M. Government in 1895 to re-purchase concessions and purchase the assets of Imperial British East Africa Company. Interest at 3 per cent per annum is payable from the revenues of Kenya Colony and Protectorate. The loan is re-payable at the option of H. M. Government.

Foreign Trade.—The total value of the foreign trade of the Protectorate during 1927 was R4,79,92,000, imports including specie amounting to R2,36,15,000 and exports including specie to R2,43,77,000.

Imports.—The principal articles imported into the Protectorate are indicated in the following table for the year 1927:—

In R1,000.

Commodity	1927
Rice and gram	56,11
Cotton goods	48,33
Copra	12,68
Sugar	10,34
Motor spirit and petroleum	9,80
Flour	7,49
Ivory	5,95
Tobacco, manufactured	5,03
Ghee	4,28
Bags (jute)	2,15

Rice.—The total value of the rice imported in 1927 was R45,73,000, and of this India's share amounted to R44,25,000 so that India has almost a monopoly in this trade. The greater part of the small balance was sent from the Straits Settlements. Similarly with wheat and dhall, which were imported to the values of just over R1½ lakhs, India was the supplier.

Cotton Goods.—In a total of imports valued in 1927 at R48,33,000, India's participation amounted to R12,82,000. This trade is examined in detail in a later chapter.

Copra and Sugar, Motor Spirit and Petroleum.—India's share in the copra trade was *nil* and in the sugar trade was negligible as is to be expected. This was also the case with motor spirit and petroleum, Sumatra, Persia and the United States of America being the supplying countries.

Wheat Flour.—In this commodity India holds a practical monopoly. The total imports for 1927 were valued at R7,39,000 and of this the flour from India amounted to R7,36,000. The remaining small quantity came from Australia.

Ghee.—The total quantity of ghee imported was 698,000 lbs. valued at R4,28,000 and India's share was surprisingly small, being only 156,000 lbs. or R1,77,000 in value. The competitor was Italian East Africa with 338,000 lbs. worth R1,87,000. This is an item in which a much higher percentage share might have been expected for India.

Bags.—The total import trade in jute bags is from India and last year amounted to R2,15,000 in value. The import is small as the main domestic product, *viz.*, cloves, is exported in matting bales.

Tea.—The imports of tea are relatively small, amounting in 1927 to 325,000 lbs. valued at R2,71,000. Ceylon and India divide the trade in the ratio of 2 : 1 by values. Zanzibar can never be a large tea consuming country nor can it become a big centre of distribution for tea.

A small miscellaneous import trade is carried on with India in a number of articles such as timber, vegetables, tinned butter, molasses, food and drinks, glassware, Mangalore tiles, iron and steel, bolts and nuts, aluminium ware, etc., but this is mostly a re-export trade from Bombay resulting from the convenience of a regular fortnightly shipping service from that port.

Exports.—The Protectorate of Zanzibar has really only two domestic products of any considerable value in the export trade, *viz.*, cloves and copra. India cannot be interested in the latter as she is herself a large producer.

Cloves.—In the case of cloves, however, India takes the leading place as a purchaser. The total exports of cloves in 1927 were 259,000 cwts. and of this India took 87,000 cwts. valued at over R30 lakhs. Beyond this there is only a small re-export trade from Zanzibar to India.

India's share in total trade.—The following value figures for 1927 give India's share in the total trade of the Protectorate :—

In lakhs of rupees.

	Imports including direct transhipments, 1927	Exports and Re-exports, 1927	Total, 1927	Percentage of total trade	
				1926	1927
Total trade	2,36	2,44	4,80	—	—
India's share	82	35	1,17	21·8	24·3

Trade with India

Zanzibar in the past acted as a convenient distributing centre for the east coast of Africa, but with the development of the various harbours and docks along that coast the importance of Zanzibar as an entrepôt is naturally declining. This will be obvious from the following figures which give the values of its re-export and transhipment trade for the past five years.

Year	Value of re-exports and transhipment trade
	R lakhs
1923	1,16
1924	1,17
1925	1,03
1926	86
1927	79

The following is a summary statement of the trade between India and Zanzibar during the years 1925 to 1927 :—

Principal Articles	1925		1926		1927	
	Imports	Exports	Imports	Exports	Imports	Exports
	Value R	Value R	Value R	Value R	Value R	Value R
Rice	41,45,844	122	38,24,912	127	44,24,862	..
Wheat flour	8,50,804	..	6,74,168	..	7,35,870	..
Cotton piecegoods, unbleached	5,53,745	..	5,84,601	..	6,83,301	..
Cotton piecegoods, dyed in the piece	3,30,735	..	2,72,642	..	4,23,241	..
Bags and sacks	3,24,720	..	3,14,212	..	2,14,685	..
Wood and timber, dressed	1,87,685	..	88,690	..	34,507	..
Ghee (clarified butter)	1,66,303	..	1,94,878	300	1,76,801	627
Cotton manufactures, unenumerated	1,38,706	..	1,06,590	962	1,11,442	..
Tea	1,60,154	..	81,599	..	86,789	..
Vegetables, raw	82,666	..	57,301	..	70,458	..
Dhalls (gram, moong, orid, toor)	80,830	..	95,177	..	93,639	..
Wheat	86,059	..	77,031	..	74,254	..
Sugar	27,797	..	21,904	..	19,979	..
Cotton piecegoods, printed	27,123	..	9,846	..	42,074	..
Cotton piecegoods, bleached	23,221	..	18,096	2,020	23,345	..
Silver coin	1,87,000	17,89,612	..	69,800	..	26,170
Hardware	16,545	..	12,283	..	9,982	..
Hosiery	6,831	..	2,692	1,000	3,811	..
Cloves	..	60,57,593	..	27,90,930	..	30,36,697
Clove stems	..	47,057	..	3,840	..	13,758
Ivory	..	2,61,093	..	2,49,162	..	2,11,988
Shells (other sorts)	..	11,043	..	7,956	..	6,906
Value of all other articles	10,28,616	1,34,551	8,64,937	1,06,850	9,68,087	1,84,582
TOTAL	84,25,474	82,51,071	78,01,609	32,32,947	81,97,077	34,80,728

Zanzibar

Customs Tariff.—On imports, there is a general duty of 15 per cent *ad valorem*. The value of goods in relation to import duty is the value of the goods at the port of shipment and the cost of packing and packages, together with the cost of loading, freight, insurance, landing and all other charges up to the time of the deposit of the goods in the Customs premises at the place of importation.

There is a schedule of goods which may be imported free and this includes the following articles of interest to India :—

(1) Bottles and jars of common glass or earthenware ; empty aerated water bottles, tin plates and wood for packing purposes.

(2) Coal, coke and patent fuel ; liquid fuel not for purposes of illumination.

(3) Gunny bags.

(4) Mosquito nets and netting.

(5) Samples which the Comptroller of Customs may decide are of no commercial value.

(6) Tiles.

Drawback.—Subject to the conditions which follow, a drawback of the duty paid may be allowed on all imported goods which are re-exported in the original packages in which they were imported or the contents of which have been re-packed in the presence of a Customs officer. No drawback is allowed on any goods :—

(*a*) Which have been used in the Protectorate.

(*b*) Unless the goods have been re-exported within two years from the date of payment of the duty.

(*c*) Unless notice is given on the proper form.

(*d*) On damaged or spoilt goods.

(*e*) On goods not manifested in the report of a vessel bound for a foreign port.

No drawback is allowed—

(*a*) On grain which has been imported within a period exceeding 12 months.

(*b*) On timber under 1 ton of 50 cubic feet, or potatoes, garlic, fresh fruits, wet dates, dried fish, salt or any other goods which the Comptroller of Customs may in his discretion notify in the official Gazette.

Drawback claims must be presented for payment within two months from date of shipment for re-export.

Landing charges.—Landing charges on general cargo from India are paid by importers at the rate of R7 per bill of lading ton. Of this sum R6·25 is paid to the private landing contractors and R0·75 is paid to Government as wharfage fees.

Rent and wharfage charges.—There are no private bonded warehouses licensed in the port but facilities are provided by the Customs authorities for storage in bond. Rent charges have to be paid by the owner of goods landed or shipped or stored under Customs control.

Wharfage charges.—Wharfage on goods landed from or for export shipment by steam vessel, with the exception of coal, oils used for illumination, and motor spirit, if such oils or spirits are stored in warehouses approved by the Comptroller for the storage of such oils or spirits is charged at the rate of 75 cents per B. L. ton and has to be paid by the ship-owner. Wharfage on other goods landed or shipped under Customs control has to be paid by the owner of the goods in accordance with the rates shewn in the Schedule hereunder :—

Wharfage Schedule.

Per package, lot or unit valued at	Wharfage
	Cents
Under R10	3
R10 and under R50	6
R50 and under R500	12
R500 and under R1,000	18
R1,000 and under R2,000	24
For each additional R1,000 or part thereof	24

The Trade Mark Legislation in Force in Zanzibar as at 1st April, 1928.

The Patents, Designs and Trade Marks Decree, 1924, as amended by the Patents, Designs and Trade Marks (Amendment) Decree, 1926, and the Patents, Designs and Trade Marks Rules, 1926, are the enactments which govern the registration of Trade Marks in Zanzibar at present.

2. There is no original registration of Trade Marks and the above legislation provides machinery for the re-registration of any Mark which has already been registered in the United Kingdom or any British Possession in which Trade Mark legislation exists.

Applicants are required to produce two copies of the registration certificate from the country of original registration together with 3 representations or specimens of the Trade Mark, and a block of a suitable size for inserting a representation of the Trade Mark in the official Gazette. Further the applicant is required to satisfy the Registrar that the registration of the Mark in the country of origin is still valid and subsisting.

3. The fees payable in connexion with an application for first registration in Zanzibar are as under :—

	R
On application	10
For publication in the Gazette	5
For certificate of registration under the seal of the Registrar	5

4. The registration of the Mark in Zanzibar confers on the registered proprietor the same rights, title and advantage that the holder has in respect of the Trade Mark in the United Kingdom or other British Possessions as the case may be. The certificate granted by the Registrar in Zanzibar remains valid for as long as the certificate of registration produced by the applicant remains valid without further renewal in the country of origin.

5. Renewal of a Trade Mark is granted by the Registrar if the applicant satisfies him that the Mark has been renewed in the country of original registration and renewal in Zanzibar is then granted for a like period. Fees payable on renewal are :—

	R
On application for renewal	5
Certificate of renewal	5
Publication in Gazette	5

6. Assignments, transmissions, revocations or amendments of a Trade Mark will be registered on the payment of R5 and in such cases applicants should forward to the Registrar the original certificate of registration in Zanzibar for endorsement.

7. Applicants are not required to act through any agents resident in Zanzibar nor does the Registrar require an address in Zanzibar for service. If, however, the application is made through an agent it is necessary for the agent to file a form of authorization (duly stamped with Zanzibar stamp duty—Re. 1) and to pay to the Registrar of Trade Marks a filing fee of R2.

8. It is hoped shortly to introduce legislation very similar to the Trade Mark Ordinance of Tanganyika Territory which will provide for original registration of Trade Marks, whereupon all the information given above will cease to be correct.

Banks.—The leading banks in Zanzibar are—

(1) The National Bank of India, Ltd.
(2) The Standard Bank of South Africa, Ltd.

CHAPTER XVI.

THE COTTON GOODS TRADE OF ZANZIBAR.

Total Imports of Cotton Piecegoods into Zanzibar in the years 1926 and 1927.

Class of Goods	Country of Origin	1927		1926	
		Quantity in 1,000 yds.	Value in R 1,000	Quantity in 1,000 yds.	Value in R 1,000
Grey, unbleached	Total all countries	5,417	1,420	3,494	1,031
	United Kingdom	15	8	73	26
	India	2,569	683	2,056	585
	Japan	2,511	659	1,263	381
	Holland	21	5	30	9
	Germany	..	..	..	..
	United States of America	229	47	67	28
Bleached goods	Total all countries	1,228	385	1,223	433
	United Kingdom	870	258	810	268
	India	70	23	45	18
	Japan	28	8	26	7
	Holland	257	84	317	129
	Germany	..	..	..	..
	United States of America	..	..	11	4
Dyed in the piece	Total all countries	2,814	1,008	1,852	758
	United Kingdom	860	390	890	343
	India	1,405	423	775	273
	Japan	55	16	68	22
	Holland	421	147	296	103
	Germany	12	6	..	..
	United States of America	15	4	5	1
Printed	Total all countries	2,848	1,222	3,368	1,649
	United Kingdom	1,954	825	2,293	1,087
	India	105	42	21	10
	Japan	10	4	4	2
	Holland	767	348	1,047	549
	Germany	111	2	..	..
	United States of America	..	..	..	..

Total Imports of Cotton Piecegoods into Zanzibar in the years 1926 and 1927 —contd.

Class of Goods	Country of Origin	1927, value in R 1,000	1926, value in R 1,000
Cotton manufactures, unenumerated	Total all countries	798	643
	United Kingdom	243	172
	India	111	107
	Japan	232	150
	Holland	78	57
	Germany	41	46
	United States of America	..	4
	Total value of all classes	4,833	4,514

Exports of Cotton Piecegoods from Zanzibar in 1927.

Class of Goods	Country to which consigned.	Directly Transhipped		Re-exports		Total Exports	
		Quantity in 1,000 yds.	Value in R 1,000	Quantity in 1,000 yds.	Value in R 1,000	Quantity in 1,000 yds.	Value in R 1,000
Grey, unbleached	Total all countries	1,617	438	1,520	640	3,137	1,078
	Tanganyika	989	255	702	456	1,781	711
	Kenya Colony	1	..	22	7	23	7
	Portuguese East Africa	612	178	603	151	1,215	329
	Italian East Africa	15	4	70	18	85	22
Bleached	Total all countries	124	36	634	194	758	230
	Tanganyika	66	24	449	136	615	160
	Kenya Colony	24	5	105	28	129	33
	Portuguese East Africa	34	8	62	24	96	32
	Italian East Africa	..	..	12	4	12	4
Dyed in the piece	Total all countries	1,035	326	1,227	449	2,262	775
	Tanganyika	660	212	823	299	1,483	511
	Kenya Colony	32	7	110	60	142	67
	Portuguese East Africa	343	107	280	84	623	191
	Italian East Africa	..	..	12	5	12	5
Printed	Total all countries	262	115	902	431	1,164	546
	Tanganyika	210	91	718	349	928	440
	Kenya Colony	44	21	121	55	165	76
	Portuguese East Africa	5	2	50	21	55	23
	Italian East Africa	2	1	..	..	2	1
Other cotton manufactures, unenumerated.	Total all countries		130	..	409	..	539
	Tanganyika	..	60	..	213	..	282
	Kenya Colony	..	51	..	125	..	176
	Portuguese East Africa	..	8	..	64	..	72
	Italian East Africa	..	..	..	..	..	..
	Total values of exports of all classes	..	1,045	..	2,123	..	3,168

Imports of Piecegoods

The Port of Zanzibar for many centuries was the chief port and centre of trade on the East African coast and during the Arab domination of what are now the territories of Kenya, Uganda, Tanganyika, Italian Somaliland and Portuguese East Africa it was the chief source of supplies from the outer world. Since the opening up of East and Central Africa, under the guidance of various European countries, Zanzibar has dwindled somewhat in relative importance, and while it still has a considerable *entrepôt* trade in cotton piecegoods, owing to its being a regular port of call for all ocean-going steamers from India and Europe, this *entrepôt* trade will probably diminish in so far as the territories of Tanganyika and Kenya Colony are concerned. As a consuming centre it will still retain some importance, directly serving the rich territories of Zanzibar, Pemba and the neighbouring islands which between them have a population of about 350,000 people. Many Indian piecegoods merchants have already either migrated to other ports such as Mombasa, Dar-es-Salaam and Tanga or have established branch offices in these three places which are rapidly growing in importance at Zanzibar's expense so far as the piecegoods trade for the hinterland is concerned.

In the statistics published in the Annual Trade Report for Zanzibar cotton piecegoods are divided into five classifications, *viz.*, grey unbleached, bleached, dyed, printed and other cotton manufactures unenumerated. From our point of view this classification is somewhat defective compared with the statistics published by the Governments of Tanganyika, Kenya and Uganda inasmuch as woven coloured goods are not separately specified but are included in the unenumerated class.

The figures of total importations in each class for 1926 and 1927 are given in table above, but to obtain a true perspective of Zanzibar as a consuming market that table should be studied in conjunction with the table following which gives the figures of cotton goods exported and directly transhipped from the port of Zanzibar for the year 1927. Taking the two tables together it will then be seen that the net imports for local consumption in the year only amounted to 33 per cent of the gross imports, the remaining 67 per cent being chiefly re-exported to Tanganyika, Kenya Colony, Portuguese East Africa and Italian East Africa in that order as regards quantity.

Grey Goods.—By far the largest imports are of greys. The gross imports of this class in 1927 were 5·4 million yards as against a total of 3·5 million yards in 1926. Of these 5·4 million yards, 3·1 million yards were re-exported, 1·8 million yards being sent to Tanganyika and 1·2 million yards to Portuguese East Africa. They consisted chiefly of Japanese 36″ grey sheetings 9¼ and 10 lb. qualities imported *viâ* Bombay, grey chadars and grey longcloth of Indian manufacture, a smaller quantity of 5½ lbs. to 7 lbs. grey sheeting from America, and grey dhoties from India.

As in all other countries in Africa Japanese greys are growing in popularity and are rapidly replacing Indian light-weight grey longcloth against which they compete favourably as regards price.

Bleached Goods.—The popularity of bleached goods as an article of consumption in Zanzibar is decreasing somewhat owing to competition from Japanese greys.

The total imports of bleached goods in 1927 were 1·2 million yards, practically the same as in the previous year. Of this, 758,000 yards were exported, 615,000 yards going to Tanganyika, 129,000 yards to Kenya and Uganda and 96,000 yards to Portuguese East Africa. The chief sources of supply for these bleached goods were the United Kingdom 870,000 yards, Holland 257,000 yards and India 70,000 yards.

The white goods imported consist chiefly of bleached shirtings and sheetings from England and Holland, bleached dhoties from England and India, and bleached drills from England and Japan.

Goods Dyed in the Piece.—There was a considerable increase in the importations of dyed goods into Zanzibar in 1927, the total rising to 2·8 million yards from 1·8 million yards in 1926. Of these 2·8 million yards no less than 2·26 million yards were re-exported, 1·48 million yards being sent to Tanganyika, ·62 million yards to Portuguese East Africa and 142,000 yards to Kenya Colony.

The chief sources of supply for dyed goods were India 1·40 million yards, the United Kingdom 860,000 yards, and Holland 421,000 yards. Japan, Germany and America also had small shares of the trade.

India's sendings of dyed goods consisted chiefly of black kaniki, dyed and printed shirtings, dyed twills and a little khaki drill. England's share in piece dyed fabrics consisted mainly of black and blue kaniki, hodrunks, khaki drill, black sateens and a small quantity of tinted shirtings and cotton tussores. Holland sent hodrunks, blue kaniki and khaki drill; Germany a little khaki drill for re-export to Tanganyika; America tinted voiles and Japan dyed shirtings and flannelettes.

Printed goods.—The total imports of printed goods into Zanzibar in 1927 amounted to 2,848,000 yards of which 1,164,000 yards were re-exported, 928,000 yards going to Tanganyika, 165,000 yards to Kenya and 55,000 yards to Portuguese East Africa. The chief suppliers of printed goods were the United Kingdom 1·9 million yards, Holland 767,000 yards and India 105,000 yards. Zanzibar still retains its position as the arbiter of fashion in block printed khangars and it is of this type of goods that the printed goods chiefly consist, although there is also a fair demand for Manchester prints, printed shirtings and printed jeans.

Cotton manufactures unenumerated.—This heading includes the importations of coloured woven goods such as kikoys, striped drills and striped shirtings and miscellaneous articles like cotton blankets. Kikoys and Japanese striped drills are imported in fair quantities and probably account for the larger portion of the R8,00,000 worth of unenumerated cotton manufactures imported in 1927. R5,39,000 worth of unenumerated manufactures were exported during the year, R2,82,000 to Tanganyika, R1,76,000 to Kenya Colony and R72,000 worth to Portuguese East Africa.

Types of cotton piecegoods imported into Zanzibar.—The piecegoods imported into Zanzibar of necessity very closely resemble those imported into East Africa which have already been described in some detail. There are,

however, certain variations owing to racial and climatic differences, in the character of the demand for goods imported into Zanzibar for internal consumption and the goods imported for consumption in Kenya and Uganda. For example owing to the presence of a comparatively large Indian population there is a demand for dhoties, and there is little or no demand for cotton blankets.

Grey shirtings and sheetings.—The demand in grey sheetings is met largely from Japan. The best selling line is a 36″×30 yards×10 lbs. of which several marks are popular. The most popular line for local consumption is the W. W. brand manufactured by the Gosho Kabushiki Kaisha 44×44 construction and lightly calendered. Closely following it in popularity are Dragon "C" and "Cat & Hat" brand. The sales of all qualities of 10 lbs. sheetings for local consumption amount to between 700 and 1,000 bales a year.

There is also a fair demand for a somewhat lighter weight Japanese sheeting, the sales of which amount to about 500 bales per year inclusive of exports to the mainland. The comparatively large exports from India in greys consist chiefly of grey chadars of various dimensions and weights. Many of the chadars imported from India are imported for export to Portuguese East Africa but the trade has latterly been affected by the heavy import duties recently imposed there. The only other grey imports of any importance are those of American light-weight grey sheetings.

White shirtings.—The same qualities are consumed in Zanzibar as in Kenya and Uganda. Widths vary from 30″ to 36″.

White sheetings.—There is a small demand, chiefly met by England, for white sheeting in 52″ to 60″ width in a good quality cloth.

Kaniki.—As in Kenya and Uganda there is a demand in Zanzibar for home consumption and export of Kaniki in several qualities. The largest sales are in black kaniki. The total sales per annum of these two lines amount to between 700 and 800 bales per year, 50 per cent of which is exported.

Hodrunks.—The sales of hodrunks for consumption in Zanzibar itself are not large, probably not more than 3,000 pieces per annum, but there is a much larger trade done by Zanzibar merchants for Tanganyika. The features of the cloth are the same as described in the technical notes on the Kenya and Uganda market.

Kikoys.—Though similar in construction and general appearance to the kikoys met with in Kenya and Uganda the kikoys seen on the Zanzibar market were of narrower widths than those seen in Kenya where the width is seldom, if ever, less than 46″.

In Zanzibar the width never touched 46″ and in one instance was as low as 38″. The prices do not greatly differ from those obtained at Mombasa for goods of the same type.

Khaki drill.—The demand is for an eight ounce khaki and the shade required as a general rule is somewhat different. What might be described as a sandy brown shade is preferred.

Striped drills and printed jeans.—The only striped drills on the Zanzibar market were those of Japanese manufacture. Formerly there was a consider-

able offtake of Indian striped drills but the whiter ground and larger range of designs of the Japanese article have caused Indian striped drills to disappear from the market. The styles of design and the qualities seen in Zanzibar were similar to those seen in other markets visited. The prices at which they were being offered were again much lower than Indian mills could afford to offer similar lines. The demand for Japanese striped drills for the Zanzibar market is only about 200 cases per year and has latterly shown signs of falling off owing largely to the introduction from Japan during the last twelve months of a line of printed jeans. These are offered in a very wide assortment of patterns and are of a bright and attractive appearance and, though the colours are not fast, sales are progressing at a rapid rate to the detriment of the English trade in printed shirtings.

As Indian mills are not equipped to produce similar goods the cloth is only of academic interest apart from the fact that the designs are in some instances suitable for reproduction in woven fabrics.

Tussores.—There is a small local market for plain and striped cotton tussores in Zanzibar. The qualities are somewhat higher than is common in Indian poplins.

Printed khangars.—The style of khangars in demand in Zanzibar does not differ from the khangars sold in Mombasa. Prices depend largely on whether the khangars are unbordered, two-bordered or four-bordered. The total sales of khangars in Zanzibar for local consumption and for export amount to 30,000 scores per year. Khangars are of academic interest only to Indian mills which are not equipped for block printing.

CHAPTER XVII.

TANGANYIKA.

Commercial Summary.

Area.—373,500 square miles.

Population.—At the last census in 1921 the population figures were :—

Europeans, 2,447.

Asiatics (Arabs and Indians), 15,000.

Natives, 4,107,000.

Since 1921 the population has increased considerably.

Monetary Unit.—£1=20 shillings; 1 sh.=100 cents.

Weights and Measures.—The British system of weights and measures is used in commerce.

Summary of Foreign Trade.

In units of £1,000.

——	1924	1925	1926	1927
Imports	2,063	2,864	3,152	3,672
Exports	2,695	3,008	3,129	3,441
Transit	693	1,356	1,423	1,493
TOTAL	5,451	7,228	7,704	8,606

General.—Tanganyika is a rapidly developing country. The export of domestic produce is increasing annually and while the annual revenue has increased the annual expenditure is moving in the opposite direction. It is an agricultural country, the main product being sisal fibre, after which come hides and skins, cotton, copra, beeswax, coffee, simsim, rice, rubber and ghee. In addition to the domestic trade of the territory there is also a considerable and growing transit trade to the countries in the interior.

Foreign Trade.—For the year 1927 the following figures give a summary of the total foreign trade of the territory :—

	£
Imports	3,672,064
Exports	3,440,576
Transit	1,493,010
TOTAL	8,605,650

Tanganyika

Imports.—In 1927 India's share of the total import trade was 13·2 per cent and the principal items of import from India with their values were :—

Commodity	1927 Value in £1,000
Cotton piecegoods	208·2
Jute bags	51·0
Rice	35·4
Wheat flour	25·5
Tea	19·8
Spices	7·9
Blankets	7·9
Umbrellas	7·7
Timber	7·5
Boots and shoes	6·7
Cotton thread	6·6
Butter	5·8
Grain	5·5
Provisions	4·3
Ghee	3·5
Aluminium hollow ware	2·8
Bricks and tiles	2·5

Cotton piecegoods, blankets and cotton thread.—These form the larger part of the trade from India to Tanganyika and this trade is dealt with later.

Jute bags and sacks.—The value of the total imports in 1927 of this article was £51,559 and India with a share to the extent of £51,008 practically had a monopoly of the trade. The small remaining quantities came from Belgium and the United Kingdom.

Rice.—In this article also India's share was close on 100 per cent of the trade in 1927, the total value being £36,427 of which India sent £35,404 and Kenya £864.

Grain.—To a total of £13,082 India contributed £5,540, while Kenya sent £7,384.

Wheat flour.—In 1927 the value of the total imports of wheat flour was £44,795 while the value of the Indian wheat flour imported was £25,521. Kenya, Australia, and the United States of America were the countries competing for this trade, dividing the remainder almost equally among themselves.

Tea.—The value of the tea imported in 1927 was £22,124 and of this India has £19,770 as her share. The remaining small quantity came from Ceylon. The market is not large and with such a small European population it is not probable that it will increase very much. The African in this territory has not cultivated a taste for tea so far.

Spices.—In a total import of £8,826 in 1927 India's share was £7,898 and the imports from some of the other supplying countries are almost certainly re-exports of Indian origin.

Timber.—The value of the total imports of timber in 1927 was £56,438 and in this total India only participated to the extent of £7,523. The other sources of supply are generally much more distant and this is a line in which India should be able to improve her position. With the development of the country the demand for constructional timber will increase and at present Kenya is the only neighbouring territory with available supplies.

Umbrellas.—The total value of the umbrellas imported in 1927 was £10,478 and the trade is increasing rapidly as in 1926 the value was only £4,395. India's contribution to the extent of £7,723 was easily the most important, Germany coming next with £1,079. This trade, although small, is worthy of attention as it is increasing in volume.

Boots and shoes.—These were imported in 1927 to the value of £18,128. The United Kingdom came first with 1,762 dozen pairs valued at £7,277 and India second with 3,281 dozen pairs worth £6,704; the relative prices are almost in the ratio of 2 to 1 and in a new country where strength is more important than appearance, India should be able to increase her trade in boots and shoes if she pays more attention to quality. There are also possibilities of extending the export trade in leather from India to Tanganyika.

Other commodities.—The other items in the trade between the two countries are fairly numerous, but individually the trade in each is small. The country, however, is opening up and it is a market which will most probably repay attention.

Exports.—The country is at present an agricultural one and the principal articles of export are not generally such as to be of interest to India as an importer. This will be obvious from a list of the chief exports which include the following :—grain, coffee, cotton, hides and skins, sisal, groundnuts, beeswax, ghee and copra.

While the value of India's import trade into Tanganyika in 1927 was £530,383, the trade in the opposite direction, *viz.*, from Tanganyika to India only amounted to £63,675. The articles exported to India in any appreciable quantities were (1) cotton and (2) ivory.

Cotton.—In 1927 India took 11,310 centals (one cental equals 100 lbs.) of cotton valued at £46,155 as against 22,973 centals valued at £82,889 in 1926.

Ivory.—India took 154 cwts. of ivory valued at £10,840 in 1927 which was about five times the quantity taken in 1926.

Customs Tariff.—The import duties in Tanganyika are exactly the same as those for Kenya and Uganda, see page 132 and, as was mentioned elsewhere, there is freedom of movement of goods throughout the three territories of Kenya, Uganda and Tanganyika.

Bonded Warehouses.—At the end of the year 1927 there were 15 licensed bonded warehouses in operation, 13 for general merchandise and two for oils. There are also four Government warehouses in Dar-es-Salaam, two for general cargo, one for wines, spirits and tobacco and one for oils. Stocks at the end of 1927 were large but are being absorbed steadily and trade generally is in a healthy condition.

Lighterage, Cranage and Wharfage charges. For Imports.—The lighterage, cranage and wharfage charges amount to 10 *sh.* 50 cents per B. L. ton.

For Exports.—For the only articles in which India has shown any interest, *viz.*, cotton and ivory, the charges are as follows :—

Cotton 5 *sh.* 50 cents per ton of 40 cubic feet.

Ivory 6 *sh.* per £100 *ad valorem.*

For wattle bark, in which India might become interested, the rate is 3 *sh* 50 cents per ton weight (of 20 cwts.). In the case of exports the wharfage and cranage is additional at the rate of 1 *sh.* per ton man handled and 2 *sh.* per ton crane handled.

Harbour storage charges.—Storage for first 5 days is free. Thereafter the rent is 20 cents for 2 cubic feet for first week, 40 cents for 2 cubic feet for second week and 60 cents for 2 cubic feet for third and each succeeding week. The charges for outside storage are the same as those for inside storage.

Railways and Steamers.—The system forming the Tanganyika Railways is as follows :—

(*a*) Main line from Dar-es-Salaam on the coast to Kigoma on Lake Tanganyika. The length of this line is 772 miles.

(*b*) Main line from Tanga on the coast to Moshi, a distance of 219 miles.

(*c*) The Sanya River Branch 21 miles long.

They are all single lines of metre gauge. The lines from Sanya to Moshi connects up that point with the Kenya-Uganda Railway system. On Lake Tanganyika there is a service of steamers for both passengers and cargo connecting up the Belgian Congo with the east coast of Africa.

Ports.—The chief ports are Dar-es-Salaam and Tanga. The usual method of discharging cargo at Dar-es-Salaam is for ships to anchor a very short distance (about two or three hundred yards) from the wharf and be loaded or off-loaded by the aid of lighters. The entrance to the harbour is very narrow and the water inside is calm, so that there is no danger of damage to goods by sea water. The lighters are discharged at the wharf and the port storage and handling facilities are now such as to deal with 200,000 tons of cargo per annum. The port of Dar-es-Salaam is served by three lighterage companies with the following plant :—

53 lighters having a total capacity of 6,534 tons,

5 steam tugs,

1 motor tug,

and 3 motor boats.

The total cargo tonnage for 1927 was 177,291 tons.

Tanga at present is a much smaller port and is served by two lighterage companies with 19 lighters of a total capacity of 3,080 tons, 5 pontoons having a capacity of 75 tons and 6 tugs. The total cargo tonnage for 1927 was 84,861 tons.

Banks.—The following bank facilities are offered.

The National Bank of India, Ltd., has branches at—

(1) Dar-es-Salaam and

(2) Tanga.

Banks

The Standard Bank of South Africa, Ltd. at—

(1) Dar-es-Salaam,
(2) Tanga,
(3) Tabora,
(4) Lindi,
(5) Mwanza,
(6) Bukoba,
(7) Moshi and
(8) Arusha.

Barclay's Bank (Dominion, Colonial and Overseas) at—

(1) Dar-es-Salaam and
(2) Tanga.

Banque du Congo Belge at—

(1) Dar-es-Salaam and
(2) Kigoma.

Chamber of Commerce.—There is a Chamber of Commerce of considerable importance in Dar-es-Salaam.

CHAPTER XVIII.

THE COTTON PIECEGOODS AND YARN TRADE OF TANGANYIKA.

Imports of cotton piecegoods into Tanganyika in 1926 and 1927.

Class of Goods	Countries of Origin	1926		1927	
		Quantity in 1,000 yds.	Value in £1,000	Quantity in 1,000 yds.	Value in £1,000
Grey, unbleached (1,000 yards).	Great Britain . .	136	5	224	7
	India . . .	5,017	113	4,557	96
	Japan . . .	7,858	188	8,662	167
	Holland . . .	216	8	627	17
	Germany . . .	80	4	37	1
	Belgium . . .	48	2	23	1
	United States of America.	232	5	587	9
	TOTAL ALL COUNTRIES	13,916	333	14,836	300
White, bleached (1,000 yards).	Great Britain . .	1,045	28	1,749	39
	India . . .	41	1	118	3
	Japan . . .	19	..	251	5
	Holland . . .	633	19	892	21
	Germany . . .	32	1	67	2
	Belgium . . .	3	..	4	..
	United States of America.	17	..	2	..
	TOTAL ALL COUNTRIES .	1,797	50	3,096	72
Printed (1,000 yards)	Great Britain . .	2,119	75	3,142	95
	India . . .	23	1	30	1
	Japan . . .	5	..	86	2
	Holland . . .	1,393	50	1,596	54
	Germany . . .	67	3	193	8
	Belgium . . .	..	..	..	..
	United States of America.	3	..	5	..
	TOTAL ALL COUNTRIES .	3,628	130	5,116	161

Imports of piecegoods

Imports of cotton piecegoods into Tanganyika in 1926 and 1927—contd.

Class of Goods	Countries of Origin	1926		1927	
		Quantity in 1,000 yds.	Value in £1,000	Quantity in 1,000 yds.	Value in £1,000
Dyed in the piece (1,000 yards).	Great Britain	1,841	73	2,563	86
	India	2,446	62	3,251	73
	Japan	61	1	137	3
	Holland	1,428	46	2,006	58
	Germany	46	2	186	6
	Belgium	8	..	5	..
	United States of America.	3	..	..	..
	TOTAL ALL COUNTRIES	5,866	186	8,251	232
Woven coloured (1,000 yards).	Great Britain	645	30	930	34
	India	841	22	1,499	35
	Japan	384	10	782	16
	Holland	949	43	2,068	73
	Germany	195	10	209	8
	Belgium	15	1	241	9
	United States of America.	..	..	..	..
	TOTAL ALL COUNTRIES	3,078	118	5,831	181
Cotton blankets (no. in thousands).	Great Britain	15	2	27	3
	India	64	7	95	8
	Japan	..	..	..	..
	Holland	340	37	545	46
	Germany	72	36	6	3
	Belgium	4	..	3	..
	TOTAL ALL COUNTRIES	496	53	706	61

Cotton piecegoods in Tanganyika Territory.—The above table has been compiled from the Trade Report of the Comptroller of Customs. The classifications into which the cotton piecegoods are divided are the same as those used in the adjacent territory of Kenya, *viz.*, grey, bleached, printed, dyed in the piece, woven coloured and cotton blankets.

In studying the table it should be remembered that Dar-es-Salaam, and Tanga to some extent, serve as ports of entry for the Belgian Congo and that there is also a small re-export trade from Tanganyika to Portuguese East Africa. The yardage of cotton piecegoods sent through Tanganyika to the Belgian Congo is at present between 500,000 and 700,000 yards per year, chiefly Japanese sheetings and, in addition, there is an importation into the Belgian Congo through Tanganyika of something between 20,000 and 40,000 cotton blankets. These figures are included in those given in the table above. The piecegoods imported during the year 1927 showed a very considerable increase over those for the previous year in all classes. This increase was due in part to a natural increase in the demand, but in the opinion of the Comptroller of Customs there was a certain amount of overstocking towards the end of the year which may be reflected in decreased importations in the current year.

Grey Goods.—The yardage of grey goods imported is considerably greater than that of any other single class of piecegoods imported. In 1927 the total imports were nearly 15 million yards, which is about 1 million yards more than what was imported during the previous year. The types of goods imported are very similar to the greys imported into the contiguous territory of Kenya and Uganda through the port of Mombasa and consist mainly of 8½ lb. and 10 lb. Japanese grey sheetings, and Indian grey chadars. There is also a small import of American light-weight grey sheetings. The relative shares of the trade held by leading countries in 1927 were Japan 8·7 million yards, India 4·6 million yards, Holland 627,000 yards and the United States of America 587,000 yards. Great Britain's share is relatively small, being only 224,000 yards.

India holds a larger share of the grey trade in Tanganyika than she does in Kenya and Uganda, probably owing to the greater demand for chadars as an article of attire, but she is losing ground rapidly to Japan whose low priced grey sheetings are extremely popular and are replacing chadars to a certain extent.

In American grey sheetings the most popular quality is a 36″ × 30 yards × 6 lbs. style but in the last six or seven years the trade has only been a fraction of its former proportions.

Bleached Goods.—The total importations of bleached goods into Tanganyika in 1927 were slightly over 3 million yards as against 1¾ million yards in 1926. It is interesting to note that the yardage of bleached goods imported is only about one-fifth or one-sixth of that for greys.

The chief sources of supply are England, Holland, Japan and India. In 1927 England sent 1·7 million yards, Holland 892,000 yards, Japan 251,000 yards and India 118,000 yards.

Dyed and Woven Coloured goods

England's share is made up mainly of bleached shirtings of a wide variety of qualities in widths of 32″ to 38″, the main demand as regards width being for a 33″ to 35″ cloth. England also supplies the demand in high quality bleached drills which are used to some extent for suiting purposes. Holland like England is a large supplier of bleached shirtings of high quality and finish. Japan has lately entered the market in bleached shirting and has captured a fair trade with a medium quality shirting, heavily finished, 33″ to 35″ wide. Japan also leads in the Tanganyika market as a supplier of bleached drills of low quality. Some of the bleached goods credited to India in 1927 were probably re-exported goods of English manufacture. Indian bleached shirtings are not appreciated in the market on account of their pure finish, but she has a small share of the trade in bleached drills.

Printed Goods.—The imports of printed goods are somewhat larger than those of bleached goods. In 1927, 5·1 million yards of prints were imported, chiefly made up of 3·1 million yards from the United Kingdom, 1·6 million yards from Holland and 193,000 yards from Germany mostly printed jeans, which are extremely popular. Next year's import figures of printed jeans from Japan will probably show a substantial gain on the 1927 figures.

The chief line of printed goods imported is " khangars " in which the trade is shared between England and Holland. There is also a fair trade in printed shirtings and Manchester prints, at present chiefly catered for by England. Germany has a line of indigo blue prints printed on both sides which also sell freely in Tanganyika and in the ports further south.

Dyed in the piece.—This classification stands second in importance to greys in the Tanganyika trade and is made up chiefly of black and blue kaniki, black kaniki sufi, black Italians, hodrunks, khaki drill and dyed shirtings.

In 1927 the importations of dyed goods of all kinds amounted to 8·25 million yards of which India supplied 3·25 million yards, England 2·56 million yards, Holland 2 million yards, Germany 186,000 yards and Japan 137,000 yards.

India's chief lines are black dyed shirtings, twills and drills, khaki pagri cloth and black kaniki; Manchester supplies black and blue kaniki and kaniki sufi—which is really a black Italian cut to size—khaki drill, black Italians, dyed and mercerised poplins and a certain quantity of dyed shirtings, hodrunks and tinted " dorias." Holland is the chief source of supply for blue kaniki and hodrunks and also has a share of the trade in khaki drills. Germany has a fair hold in the market for khaki drill and indigo dyed cloths generally, while Japan is the chief supplier of dyed flannelettes.

Woven coloured goods.—Imports of piecegoods of this classification were 5·83 million yards in 1927 as compared with 3·08 million yards in 1926. The trade in this class of goods is more evenly divided than in other classes. Holland with 2·07 million yards has the largest share, followed by India with 1·5 million yards, the United Kingdom 930,000 yards, Japan 782,000 yards, Belgium 241,000 yards and Germany 209,000 yards.

A large portion of the woven coloured goods is accounted for by the demand for what in India would be called woven lungis, a trade in which Dutch

manufacturers excel. England and Germany compete against Holland to some extent in the better qualities and India supplies some of the lower qualities. This classification also includes the imports of artificial silk mixed goods for which there is a growing demand. The imports of Japanese woven coloured goods consist almost entirely of striped shirting drills with half bleached grounds. In striped shirtings the better qualities are almost all imported from England but the total demand is not a very large one.

Cotton blankets.—In Tanganyika, as in Kenya and certain parts of Uganda, a cotton blanket constitutes the only garment worn by a large proportion of the African population, and there is, in consequence, a very large demand for this type of goods. In 1927, 706,000 blankets were imported into Tanganyika alone, Holland supplying no fewer than 545,000. India's sendings of blankets in 1927 were 95,000 chiefly in lower qualities. The sizes and qualities correspond fairly closely with those in demand in Kenya.

Types of piecegoods imported.—Although the Mission only stayed in Dar-es-Salaam for a few hours the active co-operation which the merchants gave enabled us to collect what can be considered as a very representative range of the chief selling lines in Tanganyika, but since they are in many cases very similar to the lines selling in Kenya and Uganda, only very brief notes need be made on them.

Greys.—The most popular line of greys imported into Tanganyika is undoubtedly the 10 lb. Japanese grey sheeting. A number of well-known brands are imported, of which the four most popular are the 6 Elephant brand, 5 Elephant brand, Cat and Hat brand and W. W. W. brand.

The total sales of 10 lb. sheetings in Tanganyika are about 6,000 bales per year. A light calendered finish is preferred.

Hodrunks.—There is a fairly large demand for hodrunks in Tanganyika, but the local sales in Dar-es-Salaam are small, most of the trade being done through Mombasa at the present time where the head offices of the larger dealers are situated.

Japanese Striped Drill.—This cloth has been adequately described on several occasions during this report and all that need be said here is that it is just as popular as in other markets and that the sales in Tanganyika amount to 1,000 cases per year of which about 250 cases are sold in Dar-es-Salaam.

Printed Jeans.—Three samples of Japanese printed jeans, known locally as Japanese poplin, were collected in Dar-es-Salaam. Recently introduced, this cloth has rapidly gained popularity in Tanganyika to the detriment of the sales of English printed shirtings.

Bordered white chadars.—In Dar-es-Salaam a demand has sprung up during the last few years for white chadars with a plain weave, red or black border next to the selvage. This border is usually about $\frac{1}{8}$" broad, and there is a black or red heading of which the colour matches the colour of the border. An exactly similar article is selling freely in Aden for the Abyssinian market. Sales amount to 600 bales per year in Dar-es-Salaam.

Prints and blankets

Kikoys, kitambes, subhayas, etc.—The sales of all types of kikoys, kitambes, etc., in Tanganyika are even larger than in Kenya and Uganda, amounting approximately to 6,000 bales per year in Dar-es-Salaam alone. There is a distinct tendency for the kikoy in Tanganyika to be of somewhat narrower width than the standard 46" type found in Kenya and Uganda, lengths are also more variable, but the qualities are more or less the same as are common in Kenya and Uganda.

Khangars.—Except that there is a special demand for indigo blue printed khangars, the types of khangars selling in Tanganyika are similar both s to size, style and quality to those selling in Zanzibar and Mombasa.

Indigo-Blue Prints.—There is a demand in Dar-es-Salaam, not met with in Mombasa or Zanzibar, for a fabric known locally as black chintz. It is imported from Germany and is sold in a very wide range of designs. It is a discharge print and its special feature is that the fabric is practically reversible. It is 46" wide and comes in 40 yards length made up double width and rolled and packed 25 pieces per bale, assorted designs. As the designs are printed this line can only be of technical interest to most Indian mills.

Cotton Blankets.—In cotton blankets the demand in Tanganyika is chiefly met, as in Kenya, by Holland. Many of the same lines sell in both countries but the demand for fairly heavy weight unraised twill blankets is greater than in Kenya and simple black or red borders are also more frequently met with than in Kenya.

CHAPTER XIX.

SUMMARY OF THE COTTON PIECEGOODS TRADE OF EAST AFRICA AS A WHOLE.

Importations of various classes of piecegoods into Kenya, Uganda, Tanganyika and Zanzibar in 1927.

Class	Kenya and Uganda		Tanganyika		Zanzibar		East Africa	
	Quantity 1,000-yds.	Value £1,000	Quantity 1,000 yds.	Value £1,000	Quantity 1,000 yds.	Value £1,000	Quantity 1,000 yds.	Value £1,000
Grey goods . .	16,987	300	14,836	300	2,280	26	34,103	626
Bleached goods . .	3,175	80	3,096	72	470	12	6,741	164
Printed goods . .	3,401	105	5,116	161	1,684	51	10,201	317
Dyed goods . .	5,221	227	8,251	232	552	17	14,024	476
Woven coloured* . .	8,306	250	5,831	181	627	19	14,764	450
Total cotton piece-goods . . .	37,090	962	37,130	946	5,613	125	79,833	2,033
Cotton blankets (1,000s)	1,669	162	706	61	..	..	2,375	223

* Woven coloured goods are not separately recorded in Zanzibar trade returns, but the yardage of unenumerated goods imported into Zanzibar which chiefly consist of woven coloured goods has been estimated on the basis of 33 yards per £1 which was the average price of woven coloured goods into Kenya, Uganda and Tanganyika in 1927. Net imports (*i.e.*, for consumption in Zanzibar) only have been taken and have been obtained by subtracting the figures for goods re-exported and in transit from the gross imports.

The table shows at a glance the approximate total consumption of the chief classifications of piecegoods in Kenya and Uganda, Tanganyika and Zanzibar in 1927.

The total yardage of all kinds of cotton piecegoods in the year 1927 was approximately 10 million yards about 50 per cent of which are grey goods. Between 50 per cent and 60 per cent of these grey goods consisted of Japanese 36″×30 yards×10 lbs. grey sheetings. The small trade in bleached goods is noteworthy. In 1927 it was something under 7 million yards or about 20 per cent of the trade in greys. The dyed goods trade and the trade in woven coloured goods are about equal in extent, the figures being 14 million yards and 14·76 million yards respectively. The trade in printed goods was in the neighbourhood of 10 million yards and in addition 2,375,000 cotton blankets were imported.

Trade Marks.—The value of a trade mark as an aid to selling cotton piecegoods in East Africa is not especially large except perhaps in khaki drill

in which the Rhino brand and Spinners' have established themselves as standard and are in constant demand. At the same time it should be clearly understood that any marks introduced should make some appeal to popular imagination and representations of animals and articles known to the natives have a special value as compared with trade marks portraying unfamiliar objects. Many Indian marks now imported could be changed with advantage. Pictures of Hindu gods which are so popular in India convey no meaning to the Africans and should be discarded in favour of pictures of animals when goods are exported to East Africa.

There is at present no law for the registration of trade marks in Kenya and Uganda and the only protection the law affords is that given by the Indian Penal Code and the Merchandise Marks Act which more or less corresponds to the position in India. The practice of copying trade marks and trade numbers is at present fairly common. The Governments of Kenya and Uganda are, however, considering the advisability of introducing a law providing for the registration and protection of trade marks similar to that of Tanganyika where the law closely resembles that of Palestine. The new law will also probably provide facilities for original registration in any one of the three territories of Kenya, Uganda and Tanganyika, registration in any one territory carrying with it protection against infringement throughout East Africa. In Zanzibar the law governing trade marks is the Patents Designs and Trade Marks Decree of 1924 as amended in 1926. The law does not provide for original registration but provides machinery for the registration of any mark which has been registered in the United Kingdom or any British Possession in which Trade Mark legislation exists. The existing law will probably be modified on the lines of the law in Tanganyika territory which provides for original registration of trade marks.

Bonded Warehouses.—There are adequate facilities for importing goods in bond and in addition to Government bonded warehouses at Mombasa, Nairobi, Kampala and Dar-es-Salaam there are between 30 and 40 licensed bonded warehouses at the chief towns in the territory where goods may be stored without payment of import duties pending the time they are actually taken into consumption. The charges for storage in these warehouses are low and the buildings adequately protect goods from deterioration.

Import duties on cotton piecegoods.—In the territories of Kenya, Uganda and Tanganyika the import duty on piecegoods is 20 per cent *ad valorem* with the exception of grey goods on which a specific duty of 40 cents (4·8 d.) per lb. was levied in 1922 in preference to the duty of 20 per cent *ad valorem* for executive convenience. This specific duty has remained at the same figure for the last five years and, owing to the drop in values since it was first levied, represents at the present time a duty considerably more than 20 per cent *ad valorem*. At the present time the scale of import duties is under discussion by a special committee appointed by the Governments of Kenya and Uganda and provided that a representation is made in time by the mercantile community in Mombasa, there are grounds for hope that the rate of this specific duty on greys will be reduced to bring it more in consonance with the *ad valorem* duty upon other classes of piecegoods. The value of the goods on which duty is leviable *ad valorem* is the value of the goods at

the port of shipment together with the cost of loading, packing, freight, insurance, landing and all other charges up to the time of arrival of the goods in the Customs premises. The specific duty on grey cotton piecegoods is levied on the gross landed weight including packing and is payable at the time of weighing by the Customs authorities. Samples which are considered by the Commissioner of Customs to be of no commercial value are admitted free of duty.

By an arrangement recently entered into between the Governments of Kenya and Uganda and Tanganyika no additional duty is charged on goods originally imported into any one of these three countries and subsequently re-exported for consumption in any other of the three.

In Zanzibar the import duty on all classes of cotton piecegoods is 15 per cent *ad valorem*. When goods are subsequently re-exported a complete drawback of the duty is allowed, and no duty is paid on goods imported "in transit."

Railway Freights.—Railway freights on imported piecegoods destined for the interior are high, especially in Kenya and Uganda, compared with the rates on goods intended for export and sent from the interior to the coast. One result of the high freight on goods sent into the interior by rail has been that artificial silk and other comparatively valuable piecegoods intended for consumption in Uganda are now being sent by parcel post from England or *viâ* England from Germany and Austria in order to take advantage of the lower charges for postal packages from the United Kingdom not exceeding a certain size and not weighing more than 22 lbs.

Shipping Freights.—The shipping freights on piecegoods from Bombay to Mombasa is 37s. 6d. per ton, and may be compared with the freight rate on cotton from Mombasa to Bombay which at the present time is 18s. per ton of 40 cubic feet. It is lower than the conference rates from ports in Europe, or the official rate of freight from Osaka. The actual freight on piecegoods to Mombasa forms a very small percentage of the total cost, but a reduction in the freight on piecegoods would be of some assistance to the Indian trade in piecegoods and the shipping companies trading between Bombay and East Africa might advisably be approached in this matter. The freight from Bombay to Dar-es-Salaam is 45*s.* per ton, an increase of 7*s.* 6*d.* for a relatively small increase in distance, while the freight on piecegoods from Bombay to Zanzibar is the same as that from Bombay to Mombasa.

Landing charges.—The landing and other charges at the ports of Mombasa and Dar-es-Salaam are of particular interest to exporters in India, owing to a custom which is rapidly becoming more prevalent among British and German firms of quoting landed and duty paid prices for piecegoods and blankets. At Mombasa the landing charges, etc., are 4s. per shipping ton *plus* 1 per cent on the duty paid value of the goods and at Dar-es-Salaam 19s. 6d. per bill of lading ton. The landing charges at Zanzibar are the same as those at Dar-es-Salaam namely 10s. 6d. per bill of lading ton.

Methods of business in East Africa.—At Zanzibar the piecegoods trade is chiefly in the hands of Indian merchants though there are several branch offices of British, Dutch and German firms established there, and the merchants

of the Island are also visited frequently by the representatives of the chief piecegoods importing houses in Mombasa.

Practically the whole of the retail and semi-wholesale trade is also in the hands of Indian merchants. The Indian importer in Zanzibar seldom confines his activities to piecegoods. He also frequently is an exporter of cloves, the most valuable export commodity from the Island. Often he maintains an office in Bombay and it is through this office that purchases of Indian piecegoods are made. The Zanzibar merchants' office does not buy direct from the mills, except in special circumstances, but from a merchant in the bazaar. In the few cases in which an office is not maintained in Bombay, the Zanzibar merchant buys either through a commission agent or a broker. The terms on which such purchases are made are usually cash against documents when purchases are made through a commission agent; but when goods are bought through a branch office in Bombay, payment is made on a cash against documents basis to the Bombay piecegoods merchant. The goods are then shipped and sold without any payment being made by the Zanzibar office to the Bombay office, and the Zanzibar office utilises the proceeds of the piecegoods sales in the purchase of cloves for the Bombay market.

When purchasing from European firms, either through the medium of the branch offices of such firms or through the travelling representatives of Mombasa firms, goods are almost invariably bought on 90 days' credit on a landed and duty paid basis. Standard English lines are also often bought either directly from Manchester or London on a c. i. f. basis and 60-90 days' credit is usually obtainable by merchants of standing.

Japanese lines are almost invariably bought through the medium of Bombay, purchases being made either through the Japan Cotton Trading Association or through Indian merchants dealing in Japanese lines. It is very rare for Japanese goods to be purchased direct from Osaka or Kobe. If the purchase is made through a branch in Bombay the same procedure regarding payment is adopted as in the case of Indian goods. When the goods leave the hands of the Indian importer or wholesaler in Zanzibar they pass usually into the hands of the Indian retailers who form a network in Zanzibar. Credit to the extent of 90-120 days is usual in these secondary transactions.

For Kenya and Uganda the piecegoods trade is chiefly centred in Mombasa and goods are distributed from there to all parts of the country. A number of Indian wholesale merchants are, however, establishing their head offices in Kampala. These merchants usually buy cotton and also sell piecegoods and there is a distinct tendency for such merchants to increase their direct business instead of dealing through Indian importers in Mombasa as was formerly the case. In Mombasa there is a fairly large Indian merchant community dealing in cotton piecegoods and a number of English, Dutch and German firms of importers. The system of trading in the case of English goods is that a representative of an importing merchant or commission agent firm calls on the Indian wholesaler and solicits orders. The terms on which such orders are booked are usually c. i. f. 90 days' sight. In the case of German firms the procedure is somewhat similar, but the credit allowed is somewhat longer and goods may be either bought from stocks kept in Mombasa on a duty paid price, or indented for, in which case the price quoted is usually

c. i. f. Until recently sales from Holland were on a similar basis to those from Germany, but recently Dutch manufacturers have combined together and almost the whole of the business with Holland in piecegoods is now done through the medium of a special selling organisation, *viz.*, the Twentsche Overseas Trading Company. This company works on a commission basis and maintains a series of offices throughout East Africa. Direct trading between Indian merchants in Mombasa and manufacturers or exporters in Holland is discouraged, and when any direct business is done the Twentsche Overseas Trading Co. receive a commission upon it. The policy of buying directly from Holland has almost completely disappeared since Indian firms have found that they can obtain no advantage as regards price thereby. The representatives of the Twentsche Overseas Trading Company call frequently on the wholesale Indian merchants in Mombasa and solicit orders. If sales are made from stocks an f. o. r., *i.e.*, *ex*-godown duty paid, price is always insisted on. In the case of indents the price may be either f. o. r. or c. i. f. In all transactions liberal credit is usual, 90 and even 120 days being common. In Mombasa the Twentsche Overseas Trading Company deal mainly with wholesalers but in upcountry markets they compete against the Mombasa wholesaler to some extent and solicit orders from even the smallest retailer. In the case of Japanese goods the trade was concentrated in the hands of the Indian importers in Mombasa until a few years ago when the Japan Cotton Trading Co. opened a piecegoods department. The Japan Cotton Trading Co. have now captured a large portion of the trade in greys, though there is still a certain amount of this trade done through the medium of Indian merchants in Bombay who maintain branch offices in Mombasa. Business done through the Japan Cotton Trading Co. is transacted through the medium of a guarantee broker who pays cash for the goods to the Japan Cotton Trading Company and sometimes allows credit to the Indian wholesale merchant. In printed jeans and striped drills there is rather more direct trade than in greys. If the trade in these lines is done direct it is on a cash basis, payment by letter of credit on London, and a discount of 2½ per cent to 3½ per cent may be paid to the importer. If the business is done through a Bombay office payment is made in rupees in Bombay and no discount is allowed. In Dar-es-Salaam and Tanga, German and British firms compete rather more directly with the Indian wholesaler than in Mombasa, but the general principles on which business is done are the same as in Mombasa.

The retail trade throughout Tanganyika, Kenya and Uganda in cotton piecegoods bought by the African native is almost entirely in the hands of Indians. The Indian shopkeeper is to be found in every village in the country. He deals in every conceivable article required by the native and naturally one of his biggest lines is cotton piecegoods and blankets. Not only does the "Duka Walla" supply the African native with his requirements in the way of imported articles, but he also acts as a collecting agent for native produce and as such is of great value to the country.

Methods which may be adopted for the purpose of fostering trade.—As the second largest export market for Indian piecegoods it is important that Indian exporters and manufacturers should study every means of retaining and, if possible, increasing their share of the trade in East Africa.

Methods of Fostering Trade

As previously indicated India already possesses a very valuable business asset in East Africa, owing to the importation and distribution of cotton goods being very largely in the hands of Indians, and the very fullest advantage should be taken of this fact in planning any policy which has for its object the fostering of trade between the two countries.

The present position as regards the various lines imported has already been stated and all that need be said here is that as far as grey goods are concerned no great increase can be expected, unless Indian mills can produce an article which will compete in price with the Japanese 10 lb. grey sheetings. This would mean a reduction of 10 per cent to 15 per cent in the prices now being quoted by India.

In other lines progress would undoubtedly be assisted by :—

(1) More generous sampling,

(2) Special packing for the export market and paying attention to prompt deliveries,

(3) Greater attention to the special needs of the market as regards finish, designs, sizes, qualities and making-up,

(4) Quoting always on c. i. f. or landed and duty paid terms,

(*a*) in sterling per yard in the case of piecegoods,

(*b*) in sterling per corge (score) in the case of kanikis, kikoys and garment goods generally,

(*c*) in sterling per pair in the case of grey chadars,

(*d*) in sterling per score in the case of blankets,

(5) Special attention to the question of delivery,

(6) The initiation of a policy of direct selling, and

(7) Giving facilities for payment to parties of recognised integrity and good financial standing.

At a meeting which the Mission had with the leading Indian merchants of Mombasa it was stated that there was need for much closer touch between the Indian millowners and the merchants in East Africa. At the present time very few Indian mills are directly represented in Mombasa and merchants are not kept regularly informed of the price movements of Bombay manufactured goods nor are they supplied with samples of new designs and qualities. At the same time it should be stated that the merchants in Mombasa have not supplied Indian manufacturers with detailed information as to the special requirements of the market; the existing difficulties, in the opinion of local merchants, could best be overcome by the establishment of an export selling organisation representing the Bombay mill industry on the lines of the Twentsche Overseas Trading Company.

CHAPTER XX.

PORTUGUESE EAST AFRICA OR MOZAMBIQUE.

Commercial Summary.

Area.—427,000 sq. miles approximately.

Population.—In 1925 the figures were approximately non-natives 20,000, natives 3,652,000.

Language.—Portuguese; but correspondence in English can be carried on by most commercial houses.

Monetary Units.—The monetary system is somewhat complicated. In the territories of Government the system is as follows :—

Centavos.—Notes of the value of 10, 20, 50 C.
Escudos.—Notes of the value of 1, 2½, 5, 10, 20, 50, 100 and 1,000 esc.
Libras.—Notes of the value of £1, £5, £10, issued by the Banco Nacional Ultramarino.

British gold coins.—In the territory of the Mozambique Company :—
Centavos.—Notes of the value of 10, 20, 50 C.
Escudos.—Notes of the value of 1 esc.
Libras.—Notes of the value of 10*s*., £1, £5, £10 and £20, issued by the Banco de Beira.

British gold coins are used, although their use is nominally illegal.
100 centavos=1 escudo.
1,000 escudos=1 conto.
4·50 gold escudos=£1 sterling at par.

Weights and Measures.—The metric system is used, but British trade weights and measures are also quite usual.

General.—Mozambique is a Portuguese colony, administered through a Governor-General assisted by several district Governors. The districts of Sofala and Manica are administered by the Companhia de Mozambique with a fifty year charter, dating from 1891. Close commercial relations exist between Mozambique and the Union of South Africa and a convention has just recently been adopted, regulating certain railway, customs and mine-labour matters. The railway from the Transvaal to Lourenço Marques makes the latter port the natural outlet for much of the produce of the former area. Exchange has fluctuated somewhat violently in recent years and all business with firms in the colony should be conducted on a sterling or rupee basis, so far as India is concerned. The par value of the Escudo is 4·50 to the pound sterling and such Escudos are called Gold Escudos. All customs duties, harbour dues, etc., have to be paid in gold Escudos. The economic activities of the country may be regarded as falling into two distinct spheres, that of the ports with their shipping and transport activities including the railways into the Transvaal, Rhodesia and Nyasaland and that of the internal agricultural development. The traffic at the ports is mainly transit traffic to and from the countries in the interior and the prosperity of Mozambique is very much bound up with the economic conditions in those territories beyond.

Export Trade

Foreign Trade.—The statistics of the foreign trade of Mozambique are published in two separate volumes, one by Government for the whole area and another for the area administered by the chartered company. The latest figures available at the time, when the country was visited by the Mission, were those of 1926 and the following table gives a summary of the foreign trade for the years 1923 to 1926 :—

In £1,000 sterling.

	1923	1924	1925	1926
Imports for local consumption .	2,946	3,437	2,753	1,794
Exports (local production) . .	1,802	2,001	1,662	1,745
TOTAL .	4,748	5,438	4,415	3,539
International transit trade . .	6,053	8,624	9,086	13,938
Re-exports and transhipments .	2,095	2,164	1,917	1,376
TOTAL TRADE .	12,896	16,226	15,418	18,853

In the foreign trade statistics, issued by the Government of Portuguese East Africa, separate figures for India's exports to, or imports from, that country are not shown. The trade with India is included among the returns for all British possessions in Asia. The annual statement of the sea-borne trade of British India, however, gives the details with the values at ports and is sufficient for a description of the small trade that exists at present between the two countries.

Exports from Portuguese East Africa to India.—During the five years ending 1926-27 the annual values of the total imports from Portuguese East Africa into India have been 21, 46, 33, 33 and 9 lakhs of rupees respectively and the principal articles imported are (1) coal, (2) fruits, (3) cowrie shells and (4) raw cotton. The other products which are exported in quantity from Portuguese East Africa, such as copra and sisal are not of interest to India.

Coal.—The imports of coal into India from Portuguese East Africa have fallen off, during the years 1923-24 to 1926-27, from 169,272 tons to 25,521 tons and the corresponding value decreased from R44 lakhs in 1923-24 to R5 lakhs in 1926-27. The coal is really from the Union of South Africa and is merely shipped from Lourenço Marques on account of its proximity to the coal-field and its handling facilities. The ships running between Durban and Bombay will probably continue to take coal, sometimes even in excess of their own requirements, if other more profitable cargo is not being offered but on account of the development of grading of coal in India for export it is improbable that there will be any large recovery in this coal export trade from Lourenço Marques to Bombay.

Fruits.—The value of the " fruit and vegetables ", exported from Portuguese East Africa to India in 1926-27 was almost R2 lakhs. This export consisted almost entirely of cashew nuts with a small quantity of fresh fruit. The cashew nut trade has been growing gradually, but the development of

an export trade in fresh fruits is subject to the same conditions as apply in the case of South Africa. In fact Lourenço Marques is the natural port for the export to India of much of the fruit that is grown in the Transvaal, such as oranges and grape fruit.

Cowrie Shells.—This is a small trade and is not one which offers any hope of considerable expansion.

Raw Cotton.—The export of raw cotton from Lourenço Marques to India is small and irregular. The cotton is grown in Nyasaland and on the banks of the Zambesi. It is very mixed, the length of staple varying from $\frac{5}{8}$" to 1" even in the same bale. The colour is good and the Government is encouraging the growth of cotton in the Zambesi area and a certain amount of seed selection is now being carried out. Samples of the cotton on sale were obtained and sent to the Millowners' Association. At the prices at which the cotton was offered there is a possibility of increasing the present small trade with India to some extent, but it has to be remembered that the crop is still small.

Imports from India.—The total value of the exports from India to Portuguese East Africa of Indian merchandise in the years 1922-23 to 1926-27 rose from R83 lakhs to R124 lakhs, while the value of the re-exports from India remained at about R11 lakhs during the same period. Of this second class, *viz.*, the re-exports of foreign merchandise from India to Portuguese East Africa, the principal item is cotton piecegoods with a value of approximately R7 lakhs, and this represents a re-export of Japanese cotton piecegoods from Bombay.

Of the imports from India the principal are (1) jute manufactures, (2) cotton piecegoods, (3) rice, (4) paraffin wax, (5) teakwood, (6) ready-made clothing, (7) tea and (8) ghi.

Jute manufactures.—Under this heading India has practically a monopoly of the trade and in 1926-27 the exports from India amounted to over R50 lakhs in value.

Cotton piecegoods.—The trade under this heading is dealt with in detail in the next chapter.

Rice.—In this article also India holds by far the largest share with over 90 per cent of the total trade, Siam being the only other country supplying in any appreciable quantity. The value of this export trade from India was over R13 lakhs in 1926-27.

Paraffin Wax.—The export trade in paraffin wax from India to Portuguese East Africa has grown rapidly in the last few years and in 1926-27 reached over R14 lakhs in value.

Teakwood.—The timber imported into Portuguese East Africa is brought in largest quantities from such countries as Norway and Sweden, and India's exports are limited to teakwood. The value of this export trade in teakwood from India in the year 1926-27 amounted to almost R9 lakhs and, as in South Africa and in other parts of East Africa, there would be a larger trade in teak from India, if greater efforts were made to meet the requirements of these markets.

Tea.—The quantity of tea consumed in Portuguese East Africa is small, being very little over 100,000 lbs. per annum. The countries which supply

the bulk of this are India and Ceylon, but in the local statistics the figures for all British possessions are lumped together and it is only by taking the figures from the Indian statistics that we arrive at a 50 per cent share for India. It is not likely that the demand will increase very much.

Other articles.—India sends a large number of articles in small quantities to Portuguese East Africa and in the aggregate they form a fair trade, but none of these articles are of a nature, which would indicate possibilities of large expansion in trade. The country is an agricultural one, largely undeveloped at present, but, so far as it has developed, producing commodities which India also produces in larger quantities. There are not, therefore, great potentialities for increased trade from Portuguese East Africa to India and for the trade in the opposite direction India already holds those main lines, such as jute manufactures, rice and teakwood, for which she is specially adapted.

Import Tariff.—The schedule of import duties is long and consists generally of *ad valorem* duties and specific duties. The rates vary widely from article to article. For a few of the commodities in which India is interested the import duties have been extracted below :—

Commodity.	Duty
Rice	0·10 escudos per kilog.
Coffee unroasted	7 per cent *ad valorem*.
„ roasted	8 per cent *ad valorem*.
Tea	3·60 escudo per kilog.
Jute bags	3 per cent *ad valorem*
Cotton piecegoods	(*vide* pages 187—8).

Customs duties for the territory of the Mozambique Company :—

Cotton yarn	10 per cent *ad valorem*.
Cotton piecegoods, white	15 per cent *ad valorem* with a minimum of 0·20 escudos per kilog.
Cotton piecegoods, coloured	20 per cent *ad valorem* with a minimum of 0·40 escudos per kilog.
Jute bags	free.
Rice	0·02 escudos per kilog.
Ghi	0·10 „ „

All duties are payable in gold at the rate of 4·50 escudos to the pound sterling.

Bonded Warehouses.—In the larger ports there are numerous private bonded stores. Goods, being landed at Lourenço Marques *en route* for the Union of South Africa, may be forwarded " in bond " to Johannesburg, Germiston, Boksburg, Pretoria, Komaatipoort, Krugersdorp and Roodepoort. When they are consigned to other places in the Union, they can be cleared through the Union Customs and the duty paid at the office of the Collector of Customs of the Union Government at Lourenço Marques.

The following are the details of charges payable on goods imported into the Union of South Africa *viâ* Lourenço Marques :—

(1) Portuguese stamp duty	4*s*. per £100 on c. i. f. value.
(2) Agency and handling charges on goods forwarded direct *ex*-wharf	5*s*. per ton of 40 cubic ft. or 2,240 lbs.

(3) Union Customs entries	5*s.* 6*d.* per set.
(4) Goods placed in bond at Lourenço Marques, including all landing charges from wharf, until placed on rail *ex*-bond to clients instructions .	10*s.* 6*d.* per ton of 40 cubic ft. or 2,240 lbs.
Storage charges—	
Case goods	2*s.* per ton, per month.
Bagged goods.	1*s.* 6*d.* per ton, per month.
Grain bags and rough goods	1*s.* per ton, per month.
In open	6*d.* per ton per month.
Insurance (fire) on any merchandise in bond .	16*s.* 8*d.* per £100 per annum.

Trade Marks Legislation.—There is no special colonial legislation in the Province of Mozambique with regard to trade marks beyond what is contained in a law by which goods, bearing a mark which purports to be, but is not a trade mark registered in Lisbon, are not allowed to be imported into the Colony.

In the territory under the administration of the Mozambique Company there is a system of registration of trade marks. The trade mark must be registered first in Lisbon and after proof of such registration publication is made in the Official Bulletin of the Mozambique Company. When protection has thus been obtained, any one infringing the right to the trade mark may be prosecuted and can be punished with penalties which are frequently heavy.

Railways and Harbours.—The Province of Mozambique has the great advantage of possessing a number of ports and railway lines, which connect these ports with the hinterland, with the result that the transit trade in both directions through the ports is important. It is this connection with the other railway systems in the Transvaal, Northern and Southern Rhodesia and Nyasaland that renders the railways of Mozambique so valuable not only to the province itself but also the neighbouring countries.

From Lourenço Marques the principal railway line runs into the Transvaal reaching the border of that territory at a distance of about 55 miles from the port. This railway is of immense importance to the Transvaal and the Witwatersrand mines, its carrying capacity is large and it has been developed to a high degree of efficiency. The harbour of Lourenço Marques is well equipped and the coal loading appliances are capable of dealing with 3 million tons of coal per annum. In addition to the railway line from Lourenço Marques to the Transvaal there is also the Xinavane line about 90 miles long and the Swaziland line about 40 miles in length, connecting up the port with agricultural areas.

After Lourenço Marques, Beira is next in importance as a port. From Beira there are two railway lines, one to Mashonaland and the other to Nyasaland and the former crosses the border and carries on into Rhodesia, making Beira the natural port for exports from that country. In the matter of harbour development Beira is not so far advanced as Lourenço Marques.

Mozambique is the only other town of importance on the coast and there is a considerable export from it of the agricultural produce of the neighbouring hinterland.

Banks.—From the point of view of Indian trade to and from Portuguese East Africa the following Banks will be useful :—

(1) Lourenço Marques and Beira—

(*a*) The Standard Bank of South Africa, Ltd.

(*b*) Barclays Bank (Dominion, Colonial and Overseas).

CHAPTER XXI.

THE COTTON PIECEGOODS AND YARN TRADE OF PORTUGUESE EAST AFRICA.

Cotton Goods in Portuguese East Africa.—Although Portuguese East Africa covers an area of nearly 427,000 square miles, its population does not greatly exceed 3¾ millions, of whom well over 98 per cent are Africans with comparatively few wants in the way of cotton piecegoods or clothing of any sort. The total importations of cotton piecegoods for consumption in Portuguese East Africa in 1926 amounted to roughly 14 million yards, but it should be noted that, in addition to this, between 30 and 40 million yards of piecegoods and at least 1,000,000 cotton blankets are imported into Rhodesia, the Transvaal and Nyasaland through the ports of Beira and Lourenço Marques.

The customs statistics for 1926 show the importations of cotton piecegoods, exclusive of the transit trade, to have been as follows :—

Description of goods	Total imports in kilogs. 000's omitted	Converted to yards or nos. 000's omitted
Grey or bleached	474	5,029 yds.*
Printed or dyed or woven coloured	1,045	8,883 „ *
Goods unspecified elsewhere—		
Blankets and rugs	188	188 (nos.)†

* Calculated at 8·5 yds. per kilog.
† Calculated at 1 kilog. per blanket.

Practically the only conclusion which can be drawn from these figures is that the market for coloured, printed or dyed goods is considerably larger than that for grey and bleached goods and it is only from observations made at the different ports in Portuguese East Africa that anything like an accurate idea can be obtained as to the type of goods in demand. The Mission fortunately had an opportunity of visiting and collecting samples from the three chief ports of the territory, *viz.*, Mozambique, Beira and Lourenço Marques and from these samples and information supplied by the leading merchants in each port it is possible to give a general idea of the character and extent of the market for different types of goods.

As the character of the demand varies considerably in the districts served by each of the three ports, it is probably more convenient to deal with each separately.

Portuguese East Africa

Mozambique.—The port of Mozambique, situated on the Island of Mozambique, serves an extensive but sparsely populated hinterland. In addition to a regular monthly service of steamers from India it is a regular port of call for native craft from Zanzibar and has become a fairly important distributing centre for piecegoods. The piecegoods trade is very largely in the hands of Indian merchants, who, in addition to importing piecegoods and suits of ready-made clothes from India, act as exporters of cashew nuts to India. The piecegoods in demand are of a comparatively simple character and to some extent resemble those imported into East Africa and Zanzibar.

The chief lines are grey chadars, grey shirting, grey sheeting, grey drill, black and blue kaniki, bleached shirting, bleached drills, block printed khangars and printed handkerchiefs and scarves.

Grey chadars.—The largest single line of imports into Mozambique is probably grey chadars, the whole of which are imported from India. They vary in size and weight, but the quality is fairly consistent in all. The annual sales of chadars in Mozambique alone are not less than 2,000 bales per year. In addition to plain grey chadars there is a demand, which extends to about 500 bales per year, for red and green bordered chadars. These also are supplied from India.

Grey shirtings.—India still retains a small trade with Mozambique in narrow-width light-weight grey shirting. The fabric is used for loin cloths by the very poorest classes of the population. Sales in Mozambique extend to something between 300 and 500 bales per month at the present time.

Grey sheetings.—Recently there have been importations of Japanese 10 lb. grey shirtings. The brands imported up to the present have been Dragon C, Cat and Hat and W.W.W. brands. Last year (1927) merchants estimated the off-take of these lines at 200 bales, and owing to a specially heavy import duty on grey chadars, this year's sales have been much larger.

Other greys.—Other lines of grey goods, for which there is a small demand in Mozambique, are 10-14 oz. sail cloth and Japanese 13½ lb. grey drill—Peacock Brand and Two Monkeys brand—sales 50-100 bales per year.

Bleached Goods. Bleached shirtings.—The total demand for bleached shirtings in Mozambique is not more than 500-600 cases per year. Low qualities in widths 32″-35″ are chiefly in request, the most popular brand being "500" brand.

Bleached Satin Drills.—There is a demand, extending to about 100 cases in all, for medium and low qualities of white satin drill. Supplies are at present drawn chiefly from England but Indian mills should be able to compete.

Piece-dyed goods.—Practically the only piece-dyed cloths, selling in wholesale quantities in Mozambique are blue and black kaniki. The types of kaniki in demand are very similar to the lower qualities marketed in Mombasa, Zanzibar and Dar-es-Salaam, and supplies are chiefly drawn from India. The total annual demand for blue and black kaniki amounts to about 2,000 bales per year—1,500 black and 500 blue. About 75 per cent of the demand is already supplied by India.

Printed goods.—The demand for printed goods is chiefly confined to the cheaper qualities of khangars and handkerchiefs. The total annual sales of

printed khangars of all types in Mozambique amount to 400-500 bales per year.

Woven coloured goods.—Although the styles and sizes of kikoys, kitambes, etc., so popular in Kenya, Uganda and Tanganyika are imported to a moderate extent, probably 1,000 bales per year the chief demand in woven coloured goods in Mozambique is for what is known as a handkerchief or scarf. Further south, for example in Lourenço Marques, the popularity of woven and coloured handkerchiefs becomes even more pronounced.

Each handkerchief is 26″ wide × 24″ long. They are not cut into separate handkerchiefs, but are imported in pieces of 8, 10, 12 or 15 handkerchiefs per piece. They are used for a variety of purposes and a piece of 12 handkerchiefs might possibly be cut up by the purchaser—one handkerchief for a head wrap, four handkerchiefs for a bodice and six or seven handkerchiefs as khangar or sarong. Holland and England have specialised in this trade and India only supplies some of the lower qualities and simpler designs. India's total sales of woven handkerchiefs to Mozambique are probably less than 100 bales per year out of a total market of 4,000-5,000 bales.

Types of piecegoods in demand in Beira.—Beira is the capital of the territory under the control of the Mozambique Company, and has a resident population of nearly 20,000, including about 4,000 Europeans. It is an important transit port for the British Colony of Rhodesia, with which it has an excellent railway connection and this *entrepôt* trade for Rodesia is far more important and extensive than the import trade for the territory under the Mozambique Company's administration, which has a comparatively small and poor population of about 300,000 people, of whom 95 per cent to 98 per cent are African natives. The Rhodesian trade is controlled by firms in Salisbury and Bulawayo, for whom the shippers and merchants in Beira act merely as forwarding agents and the following remarks on the types and qualities of piecegoods in demand in Beira relate merely to the 3,000 bales of cotton piecegoods consumed annually in the Mozambique Company's territory and are not, therefore, of very special importance.

Greys.—In spite of the small capacity of the market, 36″ × 30 yds. × 10 lb. grey sheetings sell to an extent of about 1,000 bales per year. The qualities in demand are Dragon C, Cat and Hat and Lion CCC. The prices quoted for Dragon C and Cat and Hat brands on May 5th 1928, were 11*s.* 9*d.* and 11*s.* 6*d.* respectively per piece c.i.f. Indian mills certainly could not compete at these prices on the date mentioned. The ordinary source of supply for Japanese sheetings is Bombay, but there is a little direct business also. The demand for chadars in Beira has dwindled to small proportions, owing to competition from Japanese sheeting, which is 15 per cent to 20 per cent cheaper in price. Imports in 1927 amounted to about 600 bales only. The only grey drill, selling at the present time, is the Japanese Two Geese brand (28″ × 40 yds. × 13½ lbs.)—but the market is not more than 50 bales per year.

Bleached Goods.—The demand for bleached drills is increasing, owing to a restriction regarding native dresses allowed in towns. Two qualities are in common demand—a better quality of satin drill for use in the manufacture

of suits for the European and Indian population and a cheaper quality of heavily filled white drill, imported from Holland, for native use.

Bleached Shirtings.—The total demand for white shirtings is not more than 150 bales per annum, but even in this small trade there are numerous brands and quality numbers.

Goods dyed in the piece.—Khaki shorts and shirts are being increasingly used by the African natives, especially in the vicinity of Beira itself, with the result that a demand has sprung up for not less than 350 bales of khaki drill per year. Out of this about 300 bales are of the well-known Spinners Stockport khaki and the other 50 are of lower qualities.

Although Indian mills can probably manufacture khaki drill equal in quality to Spinners khaki at a competitive price, the market in Beira is very small.

Cotton Tussores.—For so small a European and Indian population the demand for cotton tussores is comparatively large, 200 bales per year.

Woven Handkerchiefs.—The extent of the trade in woven handkerchiefs is about 600 bales per year in all qualities. Sizes vary slightly, but the most popular is undoubtedly 28″ wide × 30″ long. They are imported in comparatively few qualities, but in a very wide range of patterns. Supplies are drawn in almost equal proportions from England and Holland. As in Mozambique, they are used for a variety of purposes as garments and are imported in pieces of 12 handkerchiefs, 100 pieces per bale with an assortment of 8 to 10 designs per bale.

Woven Scarves.—These correspond fairly closely in design to woven handkerchiefs, but are of larger size—46″×66″—and are imported in lengths equal to two scarves only. The weave is almost invariably plain with elaborate checks. The annual sales of all qualities are not more than 300 bales per year in Beira.

Printed Scarves.—Indigo blue printed scarves are imported in comparatively large quantities from Germany and Manchester. Owing to restrictions which have been placed on native wear in towns, sales have latterly fallen away from 1,500 to 500 bales per year. India is only technically interested in this style of fabrics.

Cotton Blankets.—The import duty on cotton blankets is high. On what are known as white cotton blankets, *i.e.*, white cotton blankets with less than 1″ of colour in the headings, the duty is 15 per cent or 6*d.* per lb., whichever is higher. On coloured cotton blankets the import duty is 20 per cent or 1*s.* per lb., whichever is higher. In mixture blankets the duty is 20 per cent *ad valorem*. The result of this has been that blankets with a very small percentage of woollen fibre in the weft are being imported in place of coloured cotton blankets. The chief supplier is Germany. Sales amount to several hundred bales per year.

Types of piecegoods in demand in Lourenco Marques.—Lourenço Marques possesses one of the finest harbours on the east coast of Africa and is developing rapidly, owing to its being the natural port for the Transvaal. It serves as a distributing centre for a considerably larger population than does Beira,

but, as in the case of Beira, its transit trade in piecegoods is five or six times as great as its domestic trade.

As far as the domestic trade is concerned, coloured woven handkerchiefs constitute the biggest single item of import. Sales of all qualities of woven handkerchiefs amount to between 50,000 and 60,000 pieces per year. The other important items in the trade are light-weight narrow-width grey shirting, grey chadars, red dyed shirting, blue and black kaniki, indigo blue prints, khaki drill and cotton blankets. The imports of bleached goods are relatively small.

Grey Goods.—Japanese sheetings (36″ × 30 yds. × 10 lbs.) are increasing in popularity and are reducing the demand for Indian grey chadars. The preference for grey shirting has been stimulated somewhat during the last twelve months, owing to the very heavy specific import duty on chadars which, on an *ad valorem* basis, works out at nearly 110 per cent at present prices as against about 75 per cent on grey sheeting. Representations were made for the reduction of the duty on chadars to the same level as other greys, and it is probable that the special duty on grey chadars will shortly be removed. The brands, quality and prices of Japanese sheeting in demand in Lourenço Marques are practically the same as in Beira and Mozambique. Sales of all qualities of grey sheeting amount to between 500 and 1,000 bales per year—grey chadars about 500 bales per year.

Light-weight Grey Shirting.—To meet the demand for the very poorest sections of the African communities light-weight narrow-width shirtings are imported from Italy. Sales are not more than 160 bales per year, so that the question of whether Indian mills could compete is not important.

Grey Drills.—Two Geese brand Japanese 13½ lb. grey drill is the only quality of grey drill selling in Lourenço Marques for domestic consumption. On the 14th May 1928 it was quoted at 17*s.* per piece c.i.f., which is only slightly higher than the price at which Indian mills at that time could sell an exactly similar quality. Sales amount to between 50 and 100 bales per year.

Bleached Goods.—The demand for bleached goods is practically the same as in Beira, the same marks and qualities selling in both markets. The total annual sales of white shirtings amount to between 150 and 200 cases per year, and of white drills about 50 cases per year.

Dyed Goods. Black and Blue Kaniki or Dyed shirting.—Black kaniki is imported from England and Holland to the extent of 150 bales per year. The glossy black finish so popular in Kenya, Uganda, Tanganyika and Zanzibar is not required in Lourenço Marques, a dull finish similar to that of blue kaniki being preferred. For the Lourenço Marques market kaniki need not be imported cut to length.

Blue kaniki is imported to the extent of 50 bales per year and there is also a steady demand for narrow width red and blue dyed shirtings. They are now imported from Italy and Holland, but Indian mills should have no great difficulty in competing in these two small lines.

Dyed twill Handkerchiefs (hemmed).—There is a market for about 10,000 dozens per year for self-coloured hemmed handkerchief in an assortment of colours.

Woven Handkerchiefs.—Woven handkerchiefs in sizes from 29″ × 31″ to 34″ × 30″ are imported in a wide range of qualities and an even wider range of patterns from Holland, England and Germany. Those made entirely of cotton usually come from Holland and England and those of artificial silk mixtures from Holland and Germany. The annual consumption of this type of goods amounts to 50,000 or 60,000 pieces. A piece usually consists of eight handkerchiefs. The qualities vary greatly.

In addition to handkerchiefs, imported in the piece, there is a small demand in Lourenço Marques for brocade handkerchiefs and mufflers. They usually have a cotton warp and artificial silk weft. Sales amount to about 50 cases per year in Lourenço Marques.

Printed Handkerchiefs.—These are imported chiefly from England, usually in pieces of twelve handkerchiefs, and the sales in Lourenço Marques amount to between 40,000 and 50,000 dozens per year. They are only of technical interest to Indian mills.

Woven Lungis.—The small market in woven lungis and sarongs is catered for by Holland. The total trade in lungis is only about 50 bales per year and the question as to whether Indian mills can compete in quality and price is not of great importance.

Other lines of piecegoods in demand. Khaki Drill.—The market for khaki drill is growing rapidly. At present there is a demand for two qualities, *viz.*, Spinners Stockport khaki—8 ozs. per yard—in which the annual sales amount to about 300 bales per year and a cheaper quality of Continental khaki, the sales of which compare in magnitude with those of Spinners khaki.

Cotton Tussores.—There is a market of about 100 cases per year for cotton tussores, but this is hardly a line in which Indian mills could profitably compete, except in lower qualities for which the demand is very limited.

Prints.—Prints are only of technical interest to Indian mills at the present time.

Cotton blankets.—The chief demand in cotton blankets is for a mixed, plain-weave cotton blanket, 60″ × 70″, weighing from 1 lb. 8 ozs. to 1 lb. 10 ozs. The demand for blankets in Lourenço Marques itself is not large, but there is an extensive demand in Rhodesia for blankets of a similar type and Indian mills would be well advised to make an attempt to capture a portion of the trade.

The Import duties on Cotton piecegoods in Portuguese East Africa.—The import tariff on cotton piecegoods and yarn in Portuguese East Africa is somewhat complicated. In the territory controlled by the Mozambique Chartered Company (*i.e.*, the area served by the Port of Beira) the duties are quite different from those in the territories controlled directly by the Portuguese Government and even in the territories administered by the State the duties applicable to certain districts differ from those applicable in other districts.

Import duties on cotton piecegoods

The import tariff in the most important territories are set forth in the following table :—

Table showing the import duties on cotton yarn and piecegoods in the territories administered by the Mozambique Chartered Company.

Description of goods.	Rate of Duty.
Cotton yarn	10 per cent *ad valorem*.
Cotton piecegoods, grey or white . .	15 per cent *ad valorem* with a minimum of 20 centos per kilogramme (approximate 4·8*d*. per lb.).
Cotton piecegoods, coloured, printed or dyed.	20 per cent *ad valorem* with a minimum of 40 centos per kilogramme (approximate 9·6*d*. per lb.).
Cotton Blankets—	
(*a*) White blankets . . .	15 per cent *ad valorem* or 6*d*. per lb., whichever is higher.
(*b*) Coloured blankets . . .	20 per cent *ad valorem* or 1*s*. per lb., whichever is higher.
(*c*) Mixed blankets . . .	20 per cent *ad valorem*.

In the case of grey goods and cotton blankets the prices per lb. are such that the *ad valorem* duties never apply.

On Indian grey chadars, which, at the time the Mission was in Beira, were selling at 1*s*. 6*d*. per lb. c.i.f., the specific duty works out at nearly 27 per cent *ad valorem*.

On Indian dyed shirting the duty corresponds roughly to an *ad valorem* duty of 48 per cent. The tariff gives the duty on white cotton blankets as 15 per cent or 6*d*. per lb., but it is important to note that, if the width of the heading on a white blanket exceeds 1″, it is treated as a coloured blanket and pays duty at the rate of 1*s*. per lb. or more than 100 per cent *ad valorem*. This has led to the substitution for coloured cotton blankets of a low quality of mixed blankets (containing not more than 5 per cent of wool) which pay a duty of 20 per cent only.

Table showing the import duty on cotton piecegoods in the territories of Portuguese East Africa under the administration of the State.

Description of goods	Rate of duty
In the districts of Lourenço Marques, Inhambane and Mozambique.	
Grey and bleached—	
Portuguese	10 per cent *ad valorem*.
Foreign	20 per cent or 0·50 escudos per kilo, whichever is higher.
Chadars	20 per cent or 0·70 escudos per kilo, whichever is higher.
Dyed or printed—	
Portuguese	10 per cent *ad valorem*.
Foreign	20 per cent *ad valorem* or 0·70 escudos per kilo, whichever is higher.
Kaniki	20 per cent *ad valorem* or 0·90 escudos per kilo, whichever is higher.

Table showing the import duty on cotton piecegoods in the territories of Portuguese East Africa under the administration of the State—contd.

Description of goods.	Rate of duty.
Cotton blankets—	
Portuguese	10 per cent *ad valorem*.
Foreign	0·53 escudos per kilo.
In the districts of Quelimane and the territories of the district of Tete situated on the banks of the river Zambesi, except the town of Tete.	
Grey or bleached piecegoods—	
Portuguese	10 per cent *ad valorem*.
Foreign	23 per cent *ad valorem* or 0·20 escudos per kilo, whichever is higher.
Chadars	23 per cent *ad valorem* or 0·40 escudos per kilo, whichever is higher.
Dyed or printed goods—	
Portuguese	10 per cent *ad valorem*.
Foreign	22 per cent *ad valorem* or 0·40 escudos per kilo, whichever is higher.
Kaniki	22 per cent *ad valorem* or 0·60 escudos per kilo, whichever is higher.
Cotton blankets—	
Portuguese	20 per cent *ad valorem*.
Foreign	20 per cent *ad valorem*.
In the district and town of Tete, except the territories of the district situated on the banks of the river Zambesi whether unbleached printed or dyed	17 per cent *ad valorem*.
Cotton blankets	26 per cent *ad valorem*.

4·50 escudos = £1.

The special duties on grey chadars and dyed kaniki are at the present time adversely affecting importations of these two types of goods from India.

At present prices the duty on grey chadars represents an *ad valorem* duty of nearly 110 per cent. On grey sheetings, the duty works out at 72 per cent and this wide difference has led to the substitution of grey chadars by Japanese grey sheeting to some extent.

Transit Duties.—There are no transit duties on cotton piecegoods and blankets imported into South Africa *viâ* Lourenço Marques, but stamp duties of 4*s*. per £100 are levied on the c.i.f. value of shipments.

(For notes on Trade Marks, handling charges, bonded warehouse, etc., see chapter dealing with the general trade of Portuguese East Africa, page 176.)

Methods of Business.—The methods of business vary considerably in Mozambique, Beira and Lourenço Marques.

Mozambique.—The cotton piecegoods trade of the port of Mozambique is almost entirely in the hands of Indian merchants who draw the bulk of their supplies, whether of Indian or Japanese manufacture, from Bombay through the medium of branch offices or representatives located there. Payment is usually made on a cash against documents basis. Their requirements

of bleached shirtings, khangars, tussores, etc., are usually obtained from the travelling representatives of English, Dutch and German firms, located at Mombasa or Dar-es-Salaam. These goods are often bought on 60-90 days delivery against acceptance terms. Temporary shortages of both Indian and foreign piecegoods are met from Zanzibar.

Beira and Lourenço Marques.—In Beira and Lourenço Marques, the Indian piecegoods merchant usually obtains his requirements of Indian and Japanese piecegoods from Bombay in the same manner as the merchants of Mozambique, but in one or two instances purchases of Japanese sheetings are made directly from Kobe or Osaka. When purchasing British and Continental piecegoods, the Indian merchants, who largely control the distribution and sale of cotton piecegoods throughout Portuguese East Africa, almost invariably purchase their requirements through the medium of German or Dutch importing houses, which maintain stocks of the chief types of piecegoods in demand and sell on a "duty paid" basis in very small lots. When large orders are placed, necessitating special indents on Europe, c.i.f. terms may be quoted.

Credit of 90-120 days is almost always allowed and a discount of 4 per cent to 5 per cent is given in the case of cash payment. The facility with which credit can be obtained by reputable merchants has to some extent stimulated the demand for Dutch, German and English piecegoods as against Indian piecegoods, but by reason of her extremely low prices Japan has extended her markets without the aid of deferred payment.

Possibilities and methods of extending India's trade with Portuguese East Africa.—The total possibilities of extending India's present trade with Portuguese East Africa are not large, but even to retain her present trade in competition with Japan, Holland, Germany and England much closer contact is necessary between Indian mills and importers. More generous sampling and better packing are also essential to any development in the trade.

CHAPTER XXII.

UNION OF SOUTH AFRICA.

I.—Commercial Summary.

i. **Area.**—472,347 square miles.

ii. **Population.**—In 1921 the figures for population of the Union were as follows:—

European 1,519,000, and

Non-European 5,409,000 approximately.

iii. **Language.**—English and Afrikaans are the two official languages and English is almost generally the language of trade and commerce.

iv. **Weights and Measures.**—English weights and measures are used almost generally in trade.

(The local unit of area, *viz.*, the *Morgen* is equal to 2·12 English acres.)

v. **Monetary Units.**—Pounds, shillings and pence, similar to the English system.

vi. **Exchange.**—Variations are small and the rate differs but slightly from the rate on London.

vii. **Summary of Foreign Trade**—

	Millions. £
Value of total imports for 1926	73·3
„ „ „ 1927	74·0
„ „ exports for 1926	86·0
„ „ „ 1927	96·3

Foreign Trade.—The value of the total trade of the Union of South Africa for the year 1927 amounted to £170 millions, as compared with £159 millions in 1926. The imports total £74 millions, while the value of the exports is £96·3 millions for 1927. Of this trade India's share was relatively small, amounting to £2·4 millions for imports into South Africa and £4·4 millions for exports to India from South Africa. (This latter figure of £4·4 millions included gold bullion exported to India.) Apart from gold, the exports to India from South Africa amounted to £350,754 in the year 1927.

The trade from India to the Union of South Africa has again shown a decrease during 1927. For the five years 1923 to 1927 the annual values of this trade are approximately as follows :—

	£
1923	2,308,000
1924	2,113,000
1925	3,020,000
1926	2,481,000
1927	2,406,000

Export Trade

The values of the exports from the Union of South Africa to India for the same years are shown in the following table :—

In £1,000.

—	1923	1924	1925	1926	1927
Gold bullion (specie excluded) and merchandise	1,919	14,511	12,131	7,664	4,377

South Africa is now minting gold and in 1927 the value of minted gold coin, exported to India from the Union, was £3,315,000. In the same year the gold bullion sent amounted to £4,026,273, while the merchandise exported to India amounted to only £350,754 in value.

The total trade in both directions between India and South Africa, excluding gold bullion and specie, has declined slightly in value from £2,771,510 in 1926 to £2,756,791 in 1927.

Exports from the Union of South Africa to India.—During the last five financial years, for which figures are at present available, the values of exports of merchandise to India from the Union of South Africa were as follows :—

In lakhs of rupees.

1922-23	1923-24	1924-25	1925-26	1926-27
81·7	77·4	58·5	41·9	31·8

The trade in this direction has, therefore, been showing a very regular and steady decrease during the period under consideration.

The chief export from the Union of South Africa to India is gold in bullion and in coin. This trade will be dealt with specially at a later stage. For the present, if merchandise only is considered, the main items in the trade in this direction are (1) coal and coke, (2) silver, (3) barks for tanning and (4) fruits and vegetables.

Coal and Coke.—The values of the coal and coke from the Union of South Africa, imported into India during the five financial years 1922-23 to 1926-27, are :—

In lakhs of rupees.

—	1922-23	1923-24	1924-25	1925-26	1926-27
Coal	74·8	69·5	48·3	26·0	18·7
Coke	2·8	5·0	6·5	4·5	·6
TOTAL .	77·6	74·5	54·8	30·5	19·3

As a matter of fact, these figures do not represent the full magnitude of the diminution of the export trade in coal and coke from South Africa to India, for a very considerable proportion of the Transvaal coal for India is exported from Lourenço Marques. The figures of value for the exports of coal from Portuguese East Africa to India during the same period are: —

In lakhs of rupees.

1922-23	1923-24	1924-25	1925-26	1926-27
12·1	44·2	29·7	27·9	4·9

and show that the falling off in this trade is definite and extensive.

Much has been done in South Africa to encourage the export trade of coal, mainly in the matter of grading, railway and loading facilities. The present position of the trade with India has been reached in spite of the fact that freight for cargo coal is as low as 10*s.* per ton, when a ship is chartered. It, therefore, seems improbable that this trade will recover its Indian markets. This is realised in the Union of South Africa and it is also known there that many industrial concerns in Bombay have gone over to oil fuel in preference to coal.

If the export figures for coal and coke are deducted from the total export figures, the effect of the variations in the coal trade will be eliminated and some idea of the progress, which is taking place in the trade in other articles of export to India, will be obtained.

In lakhs of rupees.

——	1922-23	1923-24	1924-25	1925-26	1926-27
Total exports from South Africa to India	81·7	77·4	58·5	41·9	31·8
Total exports of Coal . . .	77·6	74·5	54·8	30·5	19·3
Difference .	4·1	2·9	3·7	11·4	12·5

It is, therefore, obvious that, omitting coal and coke, the export trade from South Africa to India has been increasing during the period from 1923-24 to 1926-27. Later Government of India statistics were not available at the time and place of writing, but taking the statistics of the Government of the Union for the calendar year 1927, they give the following results :—

	£
Total exports to India, exclusive of gold bullion and specie . .	350,754
Value of coal exported to India	133,034
Value of silver exported to India	144,703
Value of all other articles	103,017

and this is equivalent approximately to Rs. 13·8 lakhs.

The gradual increase in the export trade to India, apart from coal, is therefore, apparently maintained.

Silver.—Next in importance to coal in the export trade to India comes silver in the form of bars. India takes practically all the silver produced in the Union of South Africa and not required for internal consumption. In 1926 India took the whole export valued at £118,989, while in 1927 she took silver to the value of £114,703 out of the total exports valued at £117,550. This trade began in 1923-24 and rose rapidly to the present figure in and around which it remains presumably being limited by the silver production in the Union.

Barks for tanning.—Wattle bark figures next in value among the exports to India. In the space of four years, *viz.*, from 1923-24 to 1926-27, this trade has increased in value from Rs. 85,900 to Rs. 8,30,200. During the year which has closed, the increase has been maintained and in the South African statistics the exports for 1927 were valued at £81,170 and the increase is much larger than a comparison of the sterling and rupee values would indicate, for the sterling values in South Africa do not include many charges, which are part of the values for the purposes of the Indian statistics. Actually the quantities for the years 1926 and 1927 are in the ratio of 11 to 18, which gives a 64 per cent increase in the trade in one year.

The wattle plantations are developed to the greatest extent in Natal, where there are also large modern plants for the manufacture of tanning extract. As this tanning extract is sold on a definite basis of tanning content, it would perhaps be more satisfactory to the tanners in India, if the extract were imported instead of the bark. There may be difficulties in the way of changing over from bark tanning to extract tanning and European countries manufacturing leather still import their tanning materials largely in the form of bark, so that there are probably difficulties in limiting the processes entirely to the use of the extract. The trade is almost entirely with Madras, where the bark is used locally for tanning.

Fresh Fruits.—The fruit-growing industry in South Africa is a rapidly expanding one, the rate of expansion at present being about 25 per cent per annum. The United Kingdom is by far the main participant in the export trade and the fruit growers' associations in the Union are naturally very anxious to find further markets in view of the rapid development of the industry. During the past four or five years there has been a very small, but increasing, export trade to India, but such small consignments as have been made have all been more or less experimental in character.

Seasons of the year during which various fruits can be exported from South Africa.

November. Peaches.—The peach export season begins with early-maturing white-fleshed varieties at the latter part of November, chiefly from the Transvaal, closely followed by those from the Western Cape Province.

November. Apricots.—The apricot export season begins with early-maturing varieties, chiefly coming from the Transvaal, closely followed by those from the Western Cape Province.

November. Plums.—The remarks concerning apricots also apply to plums.

November. Oranges and Pineapples.—Negligible quantities are exported.

December. Peaches.—The export of peaches is in full swing during this month, the higher quality white-fleshed varieties coming forward.

December. Apricots.—This month is the principal month for apricot export, which however, practically ceases at its close.

December. Plums.—The export of plums increases rapidly and varieties of a better quality than the earliest-maturing varieties are exported.

December. Pears.—A small quantity of early varieties of pears is exported.

December. Pines.—Quantities exported are negligible.

January. Peaches.—During this month the export of white-fleshed peaches is at its highest, the finest qualities being shipped. In addition, towards the end of the month yellow-fleshed peaches mature and continue to come forward during the first half of February.

January. Plums.—About 50 per cent of the crop is exported during this month, including the finest varieties.

January. Pears.—From about the middle of this month the early-maturing varieties of pears begin to ripen in large quantities for export.

NOTE.—The early-maturing varieties, although of high quality, are softer and possess good keeping qualities to a much lesser degree than the later and harder types of pears, which in most varieties are of high quality and good keepers.

January. Grapes.—The export of grapes commences during this month with medium-sized varieties, which are not of the same high quality as varieties that are exported in the following month.

January. Pineapples.—During this month substantial quantities of pineapples are exported.

February. Peaches.—The export of peaches diminishes considerably and becomes small after the third week of this month. During the earlier part of the month large quantities of yellow-fleshed peaches are exported as well as white-fleshed varieties.

February. Plums.—The export of plums diminishes considerably during this month. A high-quality late variety, having good keeping properties, however, is exported.

February. Pears.—During this month large quantities of high-quality pears are exported, both of the softer and harder varieties.

February. Grapes.—During this month large quantities of the best varieties of export grapes are shipped.

February. Pineapples.—Substantial quantities of pines are exported.

March. Peaches.—Small quantities of late-maturing yellow-fleshed peaches are exported during the earlier portion of this month.

March. Plums.—During this month only small quantities of high-quality plums are exported.

March. Pears.—In this month very large quantities of the hard and good keeping varieties, mostly of high quality, are exported.

March. Grapes.—The highest-quality varieties of export grapes are exported during this month, the quantities exported being very large, usually exceeding those of February.

March. Pineapples.—Pine export continues in substantial quantities during this month.

April. Peaches.—Export almost *nil.*

April. Plums.—Export almost *nil.*

April. Pears.—Considerable quantities of the same hard, high-quality varieties exported during March, and amounting to about one-third the exports of that month, come forward in April.

April. Grapes.—Substantial quantities of late-maturing grapes are exported during this month.

April. Pineapples.—Pines are only exported to a limited extent during this month.

April. Oranges.—A few oranges, principally Navels, are sometimes exported during this month from the warmer areas. The export of such oranges, however, depends largely on the climatic conditions prevailing for the particular season.

May. Pineapples.—Pineapples are usually only exported to a limited extent during this month.

May. Oranges.—Navels normally start coming forward for export, except from the colder areas, followed closely by early seedlings and Naartjes (similar to Nagpur oranges).

June. Pineapples.—Pineapples are exported in increased quantities.

June. Oranges.—Both Navel and seedling varieties come forward in very substantial quantities; Naartjes also are exported in increased quantities. Towards the end of the month the orange export season is in full swing.

July. Pineapples.—Pineapples are exported in fair quantities.

July. Oranges.—During the earlier part of the month the export of all varieties mentioned is in full swing. Navels, however, substantially diminish in quantity, followed later by seedlings. Lesser known mid-season varieties, such as Mediterranean sweets and others, come forward in this month.

The value of oranges exported in this month is usually greater than in any other. Naartjes also continue to come forward in quantity.

August. Pineapples.—Pineapples are exported in fair quantities.

August. Oranges.—In this month the export of both Navels and seedlings is greatly diminished and Valencias and du Rois varieties come forward to take their place, but to a much lesser degree.

September. Pineapples.—Pineapples are exported in fair quantities.

September. Oranges.—Valencias and du Rois still come forward but in lesser quantities than in the previous month.

October. Pineapples.—The export of pineapples is largely diminished.

October. Oranges.—The export of Valencias and of du Rois continues, but is greatly diminished. The time of arrival in the Bombay market has to be put forward by three weeks for transit, and by a month for the Calcutta market.

Indian Fruit Season.—In considering the question of time to ship to India the Indian fruit seasons have to be noted. From September to December grapes from Kabul and Quetta, oranges from Nagpur and apples from Kashmir

and Kulu are on the Indian market. The important mango season from March to June must also be remembered as likely to affect fruit prices prejudicially from the suppliers' point of view. The best time to ship fruits from South Africa will, therefore, be during January, February and March and Navel oranges from April to August.

Shipping facilities for fruit export trade.—The only regular shipping service with refrigerated freight space is the fortnightly service maintained by the B.I.S.N. Co. between Durban and Bombay, calling at Lourenço Marques, Beira, Dar-es-Salaam, Zanzibar, Mombasa and, on alternative voyages, Seychelles. The ships engaged on this run are—

(1) S. S. " Khandalla " with 70 ton refrigerated space.

(2) S. S. " Karapara " with 5 ton refrigerated space.

(3) S. S. " Karoa " with 5 ton refrigerated space.

(4) S. S. " Karagola " with 5 ton refrigerated space.

With the last three ships mentioned there is seldom more than 3 ton refrigerated space available, as the remainder is required for ship's stores. It is only in the S. S. " Khandalla ", therefore, that refrigerated space of any importance is available for the fruit trade and this obviously only occurs once in two months from Durban to Bombay.

The S. S. " Khandalla " actually has about 100 tons of 40 cubic feet per ton, but as fruit stows approximately to 55 cubic feet per ton, the nett space available works out at about 70 tons for fruit.

The scale for different fruits is given below :—

75 trays of pears, etc., equal one ton of 40 cubic feet.

50 boxes of grapes, etc., equal one ton of 40 cubic feet.

28 boxes of apples, etc., equal one ton of 40 cubic feet.

17 cases of oranges, etc., equal one ton of 40 cubic feet.

For Calcutta, Rangoon and Madras the Harrison Line have steamers, which run from South Africa to these ports, calling at Durban, East London, Port Elizabeth and Cape Town. At present these steamers have no cold storage accommodation to offer, but it is understood that the supply of refrigerated space is under very serious consideration and will most probably be available in the near future. The sailings are not so regular as those to Bombay, but there is the definite advantage of calling at the coast ports of the Union.

Freight and Shipping Costs for Fruit.

	£	s.	d.
From Durban—			
Freight—Durban to Bombay per 40 cubic feet refrigerated hold	3	10	0
Levy, inspection, dock charges and insurance . . .	1	1	6
TOTAL .	4	11	6
From Cape Town—			
From Cape Town to Bombay on through Bill of Lading including transhipment charges at Durban	5	0	0
Levy, inspection, dock charges and insurance . . .	0	17	6
TOTAL .	5	17	6

Landing cost at Bombay.—The figures obtained regarding the landing costs, including clearing charges, market fees, cold storage, import duty, etc., amount to £6-10-0 per ton.

Total cost to consumer in Bombay.—If the average price obtained in 1927 by the exporters of oranges in South Africa be taken as a basis, an estimate can be worked out for the cost to the consumer in India :—

	Shillings
One case of oranges, loaded on ship at Durban	10·4
Freight from Durban to Bombay	4·1
Landing and selling costs, etc., at Bombay	7·8
TOTAL .	22·3 per case

This price of 22·3 shillings per case does not include insurance. Allowing, say, 25 per cent as a maximum for wastage, the price amounts to 27*s.* 9*d.* or Rs. 18-8 per case. The number of oranges in one case varies with the size at which they have been graded for export, but may be taken as running from 120 to 350, for being 120 very large oranges indeed. There is no doubt as to the quality of the South African oranges and, owing to the laws in force for grading fruit for export, the quality is standardised and regular. The main point, bearing on India as a future large market, is the question of price. The price worked out above is by no means low, but the period of the year at which the oranges arrive in India is very much in favour of the trade and there are certain definite items in the cost which are capable of reduction if a large trade were built up.

Facilities required for the Development of fruit Export Trade.—The main facilities asked for by the fruit exporters in order to establish the trade with India are :—

(1) the extension of refrigerated space on all ships on the regular run between Durban and Bombay and similarly, refrigerated space on the ships sailing to Calcutta, Madras and Rangoon ;
(2) the provision of terminal cold storage at the docks in the various ports ;
(3) for the purposes of distribution up-country in India, the provision of cold storage vans on the Railways in India.

Replies to all these requests can, of course, be given and, presumably, have been given in the past, *viz.*, (1) that the cold storage available on the S. S. " Khandalla " is seldom completely used, (2) that, until the ships are regularly equipped for the trade, cold storage at the docks is not necessary, (3) that, until the trade with India is established, no facilities for distribution in India are required. And so the problem goes round in a circle. Someone must take the initial risk and it seems but natural that those, who are looking for new markets in India, should share the risk with the carrying companies, who look to increased freight returns, should the trade develop. It seems probable that the shipping companies would be willing to accept as sufficient security for the installation of further cold storage space a reasonable guarantee from such a body as the Perishable Products Control Board in South Africa. Fruit is not the only product from South Africa with export possibilities, for which the cold storage could be used.

The fruit trade and fruit business, which depends on cold storage, does not appear to us to be one which is well understood in India and we would strongly recommend that the fruit-exporting interests send someone, who is perfectly acquainted with this business, to India to estimate the possibilities of the Indian market, to indicate the best time of shipment from South Africa, to guide the marketing in India along the best and most modern lines and to give his opinion as to what cold-storage facilities are necessary (i) on board the ships, (ii) at the ports and (iii) on the railways in India. He could confine his attention to about six or seven of the most probable consuming centres; for, after all, at the prices worked out above, the consuming population in India for South African fruit will be limited to the Europeans and the wealthier Indians.

It was suggested in some quarters that oranges and deciduous fruits might be taken as deck cargo to India. Deck consignments have been despatched already from South Africa to South America in sub-tropical regions all the way and the condition in which the fruit arrived was on the whole bad. It seems extremely improbable that the tropical weather and the monsoon conditions from Zanzibar to Bombay would be more kind to fruit shipped as deck cargo from Durban to Bombay.

Dried Fruits, Preserved Fruits and Jams.—South Africa is exporting dried fruits in increasing quantities and is anxious to find suitable markets. So far, only a few trial consignments seem to have come to India. Although India's imports of dried fruits are apparently very large, the fruits are mostly of a nature not grown in the Union of South Africa and also enjoy the advantage of being produced in the nearer countries around the Persian Gulf. For preserved fruits South Africa should find India a better market, as the preserved fruits which are imported into India in considerable quantities come from further afield than South Africa.

Similar remarks apply to the possibility of increasing the export trade in South African jams to India. The imports of jam into India are large and South Africa with a plentiful supply of fruit and sugar should be able to compete with more distant countries for a share of the trade.

Fruit Juice.—Large quantities of fruit juice are imported into India and the manufacturers of Lemons and Tomango are already paying considerable attention to the Indian market. Separate figures for the imports of these articles are not available, but there can be no doubt that the trade will expand, if properly pushed in India.

Diamonds.—These form one of South Africa's principal exports and in 1927 amounted to £9,308,000 in value. In the same year India only imported diamonds, direct from South Africa, to the value of £1,395 and in the previous year the direct imports were *nil*. On the other hand, India has been importing diamonds to the values shown in the following table. These come mostly from Belgium and the United Kingdom.

In lakhs of rupees.

1923-24	1924-25	1925-26	1926-27
85·2	55·7	74·1	58·1

Of these imports at least 75 per cent of the stones are South African diamonds, cut in Europe and re-exported to India. It is almost certain that in the near future a diamond-cutting industry will be established in South Africa and South Africa will then be in a position to export cut stones direct to India. There is a very large body of opinion in South Africa in favour of encouraging more direct trading in general with India, and the diamond trade should be one of the easiest to divert into the direct channel. We are very strongly of opinion that such direct trading should receive every possible encouragement in that it will be more economical and will also display more clearly the interests which are mutual to the two countries.

Ale, Beer and Wines.—These are produced in the Cape Province; but, so far, the exports have not been large, nor do they show any pronounced tendency to increase. India's imports of these commodities are very considerable and the Wine Growers' Association naturally look to India for an export market. The members of the Association were inclined to think that India was a market for cheap wine only, but the figures given for 1927, *viz.*, 296,000 gallons, valued at £232,500, convinced them that in wines India is really what may be termed a quality market. One of the members of the Association stated that he already had agents in India; but, so far, there had been no real development of the trade. They supplied some cases of samples of the wines produced in South Africa with details of the wholesale prices at which they could be supplied and asked that the samples be made over to reliable firms in the trade in India to be tested.

Cotton.—Cotton is grown to an increasing extent in the Union of South Africa and in Rhodesia. Although the crop is small, it is of a fairly good quality and should be of considerable interest to Indian mills. The chief cotton-growing areas are situated in Natal, Zululand, the North Eastern Transvaal, Swaziland and the Uppington and Kakomas area of the Northern Cape Province. There are several other districts, where the soil and climate are eminently suitable for cotton growing and a considerable increase in the area under cotton may be looked for in the near future. Except in the Northern Cape Province, the cotton is grown without irrigation. The cotton grown so far has been of the American Uplands variety and the results have, on the whole, been very encouraging, especially in the areas where (artificial) irrigation has been used. A yield of between 500 and 600 lbs. of lint cotton per acre, of bright colour and $1\frac{3}{16}''$ staple was obtained in the Uppington and Kakomas areas in the North Cape Province. The ginning percentage varies between 27 per cent and 32 per cent, taking into consideration the whole of the crop. The staple varies from $1\frac{1}{16}''$ to $1\frac{1}{4}''$ and the grade, from strict good middling to strict low middling (Universal standards). Two-thirds of the crop has a staple of $1\frac{1}{8}''$ or over and 50 per cent is of a grade equal to middling or higher. The 1927-28 crop, which is coming to hand at the time of writing, is expected to total 12,000 bales, but it should be stated that, while big parcels of any particular type will not be available for purchase, it should not be difficult to buy small experimental lots.

Every bale of cotton exported from the Union and the native territories in South Africa is graded and classified, before pressing, by a special officer of the Department of Agriculture, who issues a certificate for each consignment

exported, enumerating each bale and showing the registered mark of the ginner as well as the type mark and colour of each bale. The size and density of bales are also laid down in the regulations. The regulations state that the outside measurement of a bale shall be approximately 54″ × 27″ × 20″. The weight of the bale shall be approximately 500 lbs. and the lint cotton therein shall be pressed to a density of approximately 30 lbs. per cubic foot. A fee of 1*s*. per bale is charged for the grading certificate and an export levy of 1*s*. per 100 lbs. has to be paid before exportation. Most of the crop of the Union and a portion of the Rhodesian crop comes to Durban for sale, only a small proportion being consigned for sale to Liverpool. On the Durban market sales are effected on the following terms :—

F.O.R. (*i.e.*, Free on quay side).
Nett cash against delivery, Harbour weights.
Price in pence per lb. net.

As the buyer is given the official grading of the cotton and the samples submitted for confirmation, the sale is in effect one of quality seen and agreed to, so that there is no question of arbitration. Cotton is guaranteed equal to the sample submitted. This system of sale would only be of interest to Indian spinners or merchants, who desire to send their buyers to Durban. There are, however, several well known and competent firms in Durban, who would be able to deal direct with merchants or millowners in Bombay, in which case the method of conducting the business would be a matter for discussion by the parties concerned. Further information regarding South African cotton can be obtained on application to Mr. C. J. Homewood, Senior Cotton Grader, P. O. Box 956, Durban, or Mr. J. W. F. Hesse, Manager of the Central Co-operative Cotton Exchange, Ltd., P. O. Box 1462, Durban.

Sugar.—The sugar produced in the Union is grown mostly in Natal and Zululand, two crops of cane being obtained in three years. In 1926-27 the total crop was 245,000 tons, while the consumption in South Africa was 185,000 tons, leaving a balance of 60,000 tons for export. The whole of the 60,000 tons was exported to the United Kingdom, where South African sugar enjoys a preference of 2*s*. 3*d*. per cwt. on a basis of 96 per cent sugar. The estimated sugar crop for 1927-28 is given at 285,000 tons ; and as consumption locally is also increasing, this is estimated at 200,000 tons, leaving an exportable surplus of 85,000 tons. Opinions differ very considerably on the question of further development of sugar production in South Africa ; some consider that 390,000 tons will be about the limit, while others are definitely of opinion that there are many areas which can still be brought under cane and that the limit is much higher than the figure given above. It has been arranged that only centrifugals of 96 per cent basis will be exported to London from South Africa, the refining to a higher percentage being left to the factories in the United Kingdom. This cargo sugar is being sold at 16*s*. per cwt., c.i.f. London and the freight to London from Durban is 21*s*. per long ton. Although India imports large quantities of sugar annually (826,000 tons in 1926-27) and is nearer to South Africa than the United Kingdom, the larger sugar interests in South Africa do not think that they could better their position by directing their exports to India. They consider that the higher freight to India and

the absence of any import preference rule India out of the question, while the exportable surplus remains in the vicinity of what it is at present. In India, as a market for sugar, the Java competition would be keener than it is in the United Kingdom.

Meat, Fresh and Frozen.—During the last few years the exports of fresh and frozen meat from South Africa have become increasingly important. There is a record of a small consignment of 500 lbs. having been shipped to India. Even if cold storage facilities existed on the ships plying between South Africa and India, at the ports of entry in India and on the Railways in India, the export of meat from South Africa appears to us to be ruled out on the question of price. In India beef is used mostly for curries and stews and the question of quality naturally is not so important. The average retail price of beef in Bombay is about 5 annas per lb., while such information as could be obtained in South Africa indicated that the c.i.f. price at Bombay would not be less than 4½*d.* per lb. This leaves such a narrow margin for retailing that trade seems impossible. When supplies to the Army in India are considered, the prospect of trade is even more remote, as the average price paid by the Army in India for beef works out at about 2½ annas per lb.

Gold.—This is really the item which figures in the largest degree in the export trade from South Africa to India. The question is complicated, but the following table gives the total private imports of gold coin and bullion into India during the five years 1922-23 to 1926-27.

——	1922-23	1923-24	1924-25	1925-26	1926-27
Weight in ounce . .	5,876,338	4,329,248	12,024,013	6,201,515	3,403,007
Value in sterling (approximate) . £	30,982,500	21,937,500	55,717,500	26,422,500	14,625,000

For the five years under examination the average import of gold coin and bullion into India works out at £30,000,000 per annum. Taking the world's production for those five years at £70 millions per annum, it will be obvious that India has absorbed annually over 40 per cent of the annual total of world production. For a world commodity such as gold India has, therefore, been responsible for the annual purchase from South Africa directly and indirectly of over 40 per cent of South Africa's gold production.

This purchase of South African gold by India is partly direct and partly indirect through markets other than South African. The following figures are available for the direct purchases from South Africa :—

——	1923-24	1924-25	1925-26	1926-27
Weight in ounces	489,224	3,800,336	3,445,688	2,054,274
Value in sterling . . . £	2,482,500	17,602,500	14,647,500	8,827,500

Union of South Africa

It will be obvious from the following figures that India is tending more and more to import direct from the Union of South Africa the gold which she buys. The table gives the percentages which the direct purchases from South Africa bear to the total purchases from all markets :—

1923-24	1924-25	1925-26	1926-27
11·3%	31·6%	55·3%	60·4%

With the establishment of a mint in South Africa for minting sovereigns India's purchases of South African gold are bound to become more and more direct in future.

From the figures already given the magnitude of the trade in gold between South Africa and India, both direct and indirect, can be gauged. It is a trade whose importance does not always receive the recognition which it merits.

In addition to the items of trade mentioned in the previous paragraphs, there are a number of others, in which there is either a small existing trade or the possibility of developing a small trade. Although these items are relatively unimportant individually, in the aggregate they come to a fair figure and in some cases have distinct prospects of development. The following require further investigation :—copper, calcium carbide, fluorspar, whale guano, cement and asbestos products, milk and invalid foods, marble, sweets, etc.

Imports into the Union of South Africa from India.—During the five years from 1922-23 to 1926-27 the values of the exports from India to the Union of South Africa were as follows :—

In lakhs of rupees.

1922-23	1923-24	1924-25	1925-26	1926-27
241·2	211·2	263·0	281·4	238·1

For the calendar year 1927 the value from the South African statistics is £2,406,000 sterling, approximately.

The trade from India to South Africa has remained fairly steady for the past few years and the bulk of it is confined to relatively few articles, the more important of which are given in the succeeding table together with their import values for 1927.

Principal Imports from India

Principal Imports into South Africa from India with approximate values for 1927.

Commodity.	Value. £
(1) Jute manufactures—	
(*a*) Jute bags for coal, grain, sugar, etc.	730,000
(*b*) Jute woolpacks	152,000
(*c*) Jute bagging and sacking	84,000
(2) Rice	469,000
(3) Tea	188,000
(4) Paraffin wax	175,000
(5) Timber	137,000
(6) Ready-made clothes	57,600
(7) Ghee	31,000
(8) Vegetable oils	25,000
(9) Coir—	
(*a*) Unmanufactured	11,200
(*b*) Yarn	7,100
(10) Spices	13,000
(11) Kapok	10,000
(12) Shellac	4,600
(13) Turmeric	3,500
(14) Wheat (very variable amounts)	—

Jute manufactures. (a) Jute bags for coal, grain and sugar.—Taking the 1927 figures, the total value of the imports under this heading was £826,000 and of this India's share was £730,000. The volume of the trade depends on the size of the crops to be moved, but has a tendency to increase.

(b) Jute bags for wool or woolpacks.—The total value of the imports was £158,000, of which India supplied £152,000. With the continuous growth of the wool crop the number of woolpacks required is steadily increasing year by year to the extent of 100,000 packs.

(c) Jute bagging and sacking.—India supplied £84,000 worth in a total of £101,000.

In the case of each of the three sub-heads given above, the balances not supplied by India were almost entirely imported from the United Kingdom. The trade is well organised and Calcutta obviously has advantages over Dundee, but complaints about supplies from Calcutta were persistent and numerous, wherever we went, regarding—

(i) short weight of bales,

(ii) short weight in individual grain bags and woolpacks,

(iii) large variations in weights of bags and packs,

(iv) the procedure in Arbitration, *viz.*, the return to Calcutta of two bales for arbitration.

The complaints were strongest in the case of woolpacks, where it was definitely stated that the packs were frequently from ¾ lb. to 1 lb. short in weight. All that is asked for by the buyers in South Africa is that the bales should weigh 562 lbs. on the average, that the variation per pack should be limited to ¼ lb. and that, in the case of dispute, a Lloyd's Survey certificate

should be accepted as evidence, or that a certain number of the Chambers of Commerce in the Union should be recognised as capable of giving a fair and independent decision in cases which go to arbitration.

Apparel.—In 1927 India had a trade of £57,600 in men's ready-made washing suits. This trade is included in the South African statistics among other ready-made clothing, not always of a washable nature. The trade is considerable and well established and there is room for expansion from India with its long experience in the manufacture of such clothing and its ability to produce at lower prices than other countries. The import duty is 20 per cent *ad valorem*, which, like many of the other items in the import tariff schedule, is definitely intended to encourage local manufacture and, naturally, this is a point which has to be remembered in any programme for the extension of the ready-made clothing export trade to South Africa.

Coir.—In 1927 the value of the imports of coir into the Union of South Africa was £29,800 and of this India's share amounted to £11,200, while Ceylon sent coir to the value of £17,700. In coir yarn India supplied £7,100 worth out of a total of £8,300. The firms particularly interested in the import of coir were given the names of exporters in India.

Woollen piecegoods.—This is a very considerable item of import trade into South Africa, the value of the trade in 1927 being £1,318,000. Of this amount India was only responsible for £262, an insignificant quantity, which it should be possible to increase, when steps are taken to increase the import trade in cotton piecegoods from India to South Africa.

Kapok.—The imports of kapok have ranged during the last four years from £10,000 to £16,000 the latter figure representing the value for the year 1927. Of this amount India's share was the largest, being practically £10,000 in value. The other suppliers of importance were the United Kingdom, Holland and the Dutch East Indies. A number of firms in the Union were desirous of extending their imports of kapok and full information as to exporters in India was given to them.

Paraffin wax.—The imports of paraffin wax are very large, being valued at £264,234 in 1927. Of this amount India's supplies were valued at £175,251. The competitors are naturally the United States of America and the Dutch East Indies. The trade is one of those highly organised trades, which are governed by world factors and India's position gives her certain advantages, which are reflected in the figures stated above.

Shellac.—The imports of shellac are not large and are inclined to vary considerably from year to year. India has a practical monopoly of such trade as there is, as is obvious from the following figures :—

Value of imports of shellac.

——	1924	1925	1926	1927
	£	£	£	£
From India . . .	7,289	8,593	7,421	4,557
TOTAL .	7,387	9,030	7,900	4,763

A number of firms in the Union wished to be put in touch with exporters in India and the necessary information was furnished, as usual, through the local Chamber of Commerce.

Turmeric.—There is a small trade in turmeric between India and South Africa. In 1927 the value of the imports from India was £3,456 out of a total of £3,494, so that what trade there is amounts practically to a monopoly.

Rice.—The imports of rice into the Union of South Africa are large, varying in value from about £500,000 to over £600,000 during the last four years. In 1927 the value of the total imports of rice was £628,764 and of this India supplied £469,195. The chief competitors were Cochin-China and Siam. India is holding her own in this trade and in a market gradually increasing from £500,000 in 1924 to £629,000 in 1927, has increased her supplies from £369,000 in 1924 to £469,000 in 1927. The complaints which we had received, regarding the quality of Rangoon rice, from buyers in another country were entirely absent in South Africa. Various houses wished to be given connection with rice-exporting firms and this information was, as usual, supplied to the local Chamber of Commerce to be passed on, if the Committee of the Chamber considered the firm of suitable standing.

Wheat.—South Africa is a large importer of wheat, the annual value of the imports varying from £1,000,000 to £1,600,000 during the last four years. Spasmodically, India has entered this market. In 1924 she sent wheat to the value of £123,000; in 1925, £44; in 1926, £36,700; and in 1927, £36. The volume of the export of wheat from India depends on so many factors that it will probably always be subject to large variations, but with the development of irrigation schemes in India and a more regular exportable surplus the South African market affords a comparatively near and steady demand. At present the chief suppliers of that market are Australia, Canada and the Argentine.

Wheat flour and meal.—The demand for wheat flour and meal is fairly steady in South Africa to the value of about £400,000. During the last few years India has sent some very small quantities, valued at a few hundred pounds sterling and the field is one, in which examination in detail would probably lead to increased trade. The chief competitors are again Australia and Canada and the latter enjoys a preferential tariff treatment.

Vegetable oils. Castor oil, Cocoanut oil, etc.—This is a fairly large class and altogether the value of the imports in 1927 amounted to £200,000. Of this India's share was only £25,000. The chief competitors are the United Kingdom and Ceylon and neither of these countries possesses any special advantage over India in the matter of supply. This is a trade, in which it should be possible for India to take a much larger share than at present, provided steps are taken to establish closer trading connections between the Union of South Africa and India.

Ghee.—The trade in ghee results from the demands of Indians resident in the Union. The value of the imports in 1927 was £31,700 and, as is to be anticipated, India's share was very large, amounting to £31,000. The small remaining amount was supplied by Holland and was probably what is known as butter substitute.

Spices.—The total value of this import trade in 1927 was £65,000, in which India participated to the amount of £13,000. The chief competitors were the Straits Settlements and the United Kingdom. India holds no advantage over the Straits Settlements, whereas the imports from the United Kingdom, which is not a producer, are mostly in the nature of an indirect trade for Europe.

Tea.—This is a very large item in the import trade of the Union. The custom of tea-drinking is extending, as will be obvious from the following figures :—

Tea consumption in South Africa.

—	1924	1925	1926	1927
Quantity (in million lbs.)	9·4	9·8	10·3	11·8
Value in £ . .	771,900	791,500	857,000	915,400

The principal supplying countries are Ceylon, India and the Dutch East Indies and their relative participation figures are shown in the next table :—

Relative figures by Countries.

Country	1924		1925		1926		1927	
	Quantity in million lbs.	Value in £1,000	Quantity in million lbs.	Value in £1,000	Quantity in million lbs.	Value in £1,000	Quantity in million lbs.	Value in £1,000
Ceylon . . .	6·1	496	6·4	520	7·4	618	8·7	675
India . . .	2·5	228	2·6	221	2·1	181	2·2	188
Dutch East Indies .	0·6	39	0·7	44	0·7	48	0·8	48
TOTAL, ALL COUNTRIES	9·4	772	9·8	792	10·3	857	11·8	915

From this table it will be seen that Ceylon is forging ahead with the expansion of this trade, while India's trade is stationary, if not even falling off. The field is fairly large and it is one which is worthy of greater attention from India than it receives at present. Ceylon possesses very little advantage in the matter of distance and the same steamers, which call at Colombo, also call at Calcutta and as far as could be discovered, there is practically no difference in freight rates.

Timber.—In 1927 the value of the total imports of timber, manufactured and unmanufactured, into South Africa was in the neighbourhood of £2,000,000. India exported to the Union in that same year teak, oak and pine and her shares only amounted to £137,000. Of this the main item was teakwood, valued at £130,000. The Union of South Africa is a large country, but it is singularly deficient in timber and it provides a market for Indian timbers, which would repay careful cultivation. Teakwood is the only timber in

which India holds the lead and even in this class Siam is sending increasing quantities to South Africa. In 1927 the total imports of teak were valued at £190,000, of which India supplied £130,000 and Siam £55,000. The importers of teak from India were not altogether satisfied with the conditions of business and they explained that in such industries as furniture-making, there was a very definite tendency to replace the use of teak by other woods, such as oak, in which there was a more open market.

In addition to the timber imports indicated above, there are also large imports of wood in shooks for the packing of fruit and dairy produce. These come almost entirely from the countries around the Baltic and the trade is already well established and forms a speciality of these countries.

Schedule of Customs Duties for some articles in which India is interested or might be interested.

No.	Article	Unit	Minimum Duty	Maximum Duty
			£ s. d.	£ s. d.
8	Ghee	per lb.	0 0 3½	0 0 4
	Chillies and turmeric—			
11	(a) Chillies, dried	,,	0 0 2	0 0 2
	(b) Turmeric, ground	,,	0 0 2	0 0 2
	(c) ,, unground	,,	Free	Free
13	Coffee—			
	(a) Raw	,,	0 0 0¾	0 0 0¾
	(b) Roasted or ground	,,	0 0 2	0 0 2
	(c) Mixed	,,	0 0 3	0 0 3
15	(a) Wheat—			
	(1) in the grain	per 100 lbs.	0 1 5	0 1 7
	(2) ground or otherwise prepared	,,	0 3 4	0 3 8
	(d) Rice in the grain	,,	0 1 0	0 1 0
33	(a) Coconuts, whole	*ad valorem*	3 per cent	3 per cent
	(b) ,, desiccated, unsweetened	,,	20 per cent	20 per cent
	(c) ,, desiccated, sweetened	,,	30 per cent	35 per cent
36	(a) Chutneys and other condiments	per lb.	0 0 2	0 0 2½
41	Spices—			
	(a) Not ground or crushed	,,	Free	0 0 0½
	(b) Other	,,	0 0 2	0 0 2½
45	Tea—			
	(a) In packets or tins, not exceeding 10 lbs. each in weight	,,	0 0 4	0 0 4
	(b) In larger containers	,,	0 0 2	0 0 2

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Schedule of Customs Duties for some articles in which India is interested or might be interested—contd.

No.	Article	Unit	Minimum Duty	Maximum Duty
59	(*a*) Bags, for flour, grain, manure, local manufactures and produce, sugar, wool, coal and minerals	—	Free	Free
	(*b*) Jute bags, bagging and sacking in the piece	—	Free	Free
		ad valorem	15 per cent	*plus* a suspended duty of 20 per cent
63	(*b*) Coir mats and coir mattings . .	,,	25 per cent	25 per cent
65	Clothing—			
	(*b*) Ready-made—			
	(i) New coats and vests and trousers for men	,,	20 per cent	20 per cent
	(ii) others, including overcoats and underclothing	,,	15 per cent	15 per cent
66	(*a*) Coir, cotton, fibre, flax, flock, grass, hemp, jute and moss: raw, waste, and unmanufactured	—	Free	Free
	(*b*) Coir, yarn (twisted); cotton, jute and hemp spun yarns (unfinished) for manufacturing purposes	—	Free	Free
71	Lace and embroidery	*ad valorem*	15 per cent	20 per cent
76	Piecegoods—			
	Woollen	,,	5 per cent	5 per cent
			plus a suspended duty of 10 per cent	*plus* a suspended duty of 10 per cent
191	Copra	—	Free	Free
202	Oil, vegetable or animal	*ad valorem*	20 per cent	20 per cent
205	Shellac, dry	,,	5 per cent	5 per cent
210	Waxes and greases—			
	(*a*) Bees wax	,,	15 per cent	20 per cent
	(*b*) Others	,,	20 per cent	20 per cent
265	Cane, bamboo, rattans and osiers—			
	(*a*) Unmanufactured	—	Free	Free
	(*b*) Manufactures of, not being furniture	*ad valorem*	20 per cent	20 per cent
276	Sleepers, railway or tramway, wooden .	,,	Free	3 per cent
279	Wood—			
	(*a*) Unmanufactured	,,	Free	3 per cent

CHAPTER XXIII.

THE COTTON GOODS TRADE OF SOUTH AFRICA.

Unfortunately for the purpose of this report, the South African Trade returns furnish no indication as to the quantities of grey, bleached, woven, printed and dyed goods imported into the Union, all cotton piecegoods, with the exception of cotton blankets and kaffir sheets, being included under one heading. The returns do, however, indicate the quantity and value of the imports under these three headings, imported from various countries and the following tables, which have been compiled from the 1927 Annual Statement of Trade and Shipping of the Union of South Africa, show at a glance the relative positions of the chief industrial countries in the import trade of the Union in cotton goods.

Imports of cotton blankets and kaffir sheets into the Union of South Africa.

(000's omitted.)

Country of Origin	1927		1926		1925		1924	
	No. Imported	Value in £	No. Imported	Value in £	No. Imported	Value in £	No. Imported	Value in £
United Kingdom .	3,349	262	..	237	..	266	..	388
India . . .	..	..	..	2	..	..	..	..
Belgium . . .	1,729	125	..	134	..	164	..	190
France . . .	137	21	..	25	..	27	..	44
Germany . . .	329	39	..	36	..	31	..	55
Holland . . .	557	29	..	31	..	29	..	52
Italy . .	642	159	..	81	..	67	..	64
Japan . . .	35	4	..	9	..	6	..	3
United States of America	11	2	..	2	..	2	..	1
Other Countries . .	53	9	..	4	..	6	..	14
TOTAL, ALL COUNTRIES	6,852	650	..	561	..	598	..	811

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Total value of cotton piecegoods imported into South Africa, excluding cotton blankets and kaffir sheets.

(000's omitted.)

Country of Origin	1927 Value in £	1926 Value in £	1925 Value in £	1924 Value in £
United Kingdom	2,493	2,701	3,096	3,205
India	22	34	43	26
Belgium	88	80	53	25
France	33	38	32	29
Germany	110	134	102	102
Holland	80	92	72	39
Italy	90	132	113	109
Japan	215	157	71	26
United States of America	440	570	499	389
Other Countries	123	41	77	55
TOTAL, ALL COUNTRIES	3,694	3,983	4,158	4,005

Total value of cotton piecegoods, including cotton blankets and kaffir sheets, during the four years, 1924-27.

(000's omitted.)

Country of Origin	1927 Value in £	1926 Value in £	1925 Value in £	1924 Value in £
United Kingdom	2,755	2,938	3,362	3,593
India	22	36	43	26
Belgium	213	214	217	215
France	54	63	59	93
Germany	149	170	133	157
Holland	109	123	101	91
Italy	249	213	180	164
Japan	219	166	77	29
United States of America	442	572	501	390
Other Countries	132	49	83	69
TOTAL, ALL COUNTRIES	4,344	4,544	4,756	4,817

Trade in cotton piecegoods

From the tables it will be seen that the total trade in cotton piecegoods and cotton blankets amounts to between 4½ and 5 million pounds sterling per annum. This excludes the value of the transit trade for Rhodesia and the Belgian Congo, which is considerable. The total import trade in cotton goods for Northern and Southern Rhodesia, through the Union of South Africa, and Beira, in 1927 amounted to £646,000, of which £151,000 were for cotton blankets and kaffir sheets. By far the largest portion of the Union market for cotton goods is supplied by the United Kingdom. In 1927 England supplied 65 per cent of the Union's total requirements, but the table on the preceding page shows that latterly she has lost ground to Japan and Italy. England's sendings consist chiefly of fine goods, in which India cannot compete ; but she also retains a very large share of the import trade in coarse goods in such lines as kaffir sheets, cotton blankets, towels, wide-width grey and bleached sheeting, khaki drill, white drill and bleached shirtings, in which the prospect of India competing is somewhat greater.

The United Kingdom's retention of such a large share of the cotton piecegoods trade of the Union has been greatly assisted by the excellence of her merchanting organisations in South Africa. Most of the large distributors of cotton piecegoods in the Union are of English nationality or English stock and many of the larger houses are in reality branch offices of, or are largely controlled, as far as finance is concerned, by parent houses in London or Manchester. These factors have naturally influenced their buying policies, but the fact remains that, until recently, England catered more exactly for the needs of the South African market than any other country. During the last five or six years America, Germany, Belgium and Italy have paid more attention to the needs of this market than in former years and have also imitated the methods of merchanting adopted by England. America, for example; has made great progress in certain standard lines, such as blue denims, printed blue drills, cotton suitings and cotton voiles and now holds a trade, amounting to nearly half a million pounds sterling per year. Germany has also made progress in the printed goods trade, and until the duty on blankets and kaffir sheets was increased in 1926, Belgium, Holland and Germany made very effective progress in the heavy cotton blanket trade.

Other factors, which it is necessary to mention as having influenced England's position in the piecegoods trade of the Union, are the excellence of transportation facilities, comparatively cheap freights, trade in both directions and a preference of 5 per cent in all lines of piecegoods, except cotton blankets and kaffir sheets. It would not be logical to expect that India or any other country can hope to establish a position in the cotton piecegoods trade of South Africa in any way comparable with that of England whose standard lines are well known and highly appreciated in the Union, but there is certainly scope for an increase of India's trade in certain lines of coarse goods and this increase in trade could be assisted by greater attention on the part of Indian mills and exporters to the merchanting methods, which have been followed so successfully by England and America. Further, if the preferential rates of duty, which South Africa gives to England, were extended to India and if shipping freights from and to India were lower, a fairly substantial increase in trade could be expected almost immediately. Many of the leading piecegoods importers, distributors and agents were greatly interested

in certain of the samples, carried by the Mission, and their services and experience could be depended upon, if Indian mills combined to make an effort to extend their trade with the Union. Second to England, but lagging far behind, in the import trade in piecegoods with the Union is America. Before the war, her exports of piecegoods to South Africa were less than £10,000 per annum ; to-day America sends nearly £500,000 worth of four or five standard lines, namely, Proximity Drills, Blue Denims, Vencedor Drills, Stifel Drills and Voiles. All these lines are extremely popular and are unvaried in quality and texture from year to year. Great attention is given to sampling and very wide ranges of new designs are placed in the hands of merchants and agents at the commencement of each new season. One disadvantage, from which America suffers and which would not apply with the same force to India, is the time it takes to replace stocks of any particular design or series of designs during any one season. Italy has built up a considerable trade, during the last 10 years, in cotton travelling rugs and artificial silk shirting and dress materials. She also sends some low-quality, heavy-weight khaki drills for use in the making-up trade.

Japan follows Italy in the list of importing countries, her chief lines being grey drills, cotton crepes, cotton quilts and cotton duck. In 1924 Japan only exported cotton goods to South Africa to the value of £29,000 ; in 1927 her sendings were £219,000.

Belgium, Germany and Holland, in the order named, followed Japan in the list of exporters of cotton goods to the Union in 1927. Belgium's interest is chiefly connected with the trade in cotton blankets ; Germany and Holland also share in the cotton blanket trade. but not to anything like the same extent as Belgium. Germany's chief lines are in printed goods and artificial silk and cotton mixtures, while Holland sends fair quantities of bleached shirtings, sheetings and woven coloured goods. Practically the only Indian lines, selling in South Africa at the present time, are low-quality striped drill shirtings, Madras cloth and cotton tussores, in that order as regards importance. Small as India's share of the trade is—it only amounted to £22,000 in 1927—it is apparently decreasing from year to year. Such a position is disquieting at a time when India is attempting to develop her export trade in cotton goods. The reasons and the possible remedies will be discussed at a later stage.

Character of cotton piecegoods consumed in the Union of South Africa.—Before going on to discuss the types of goods which the Union of South Africa consumes, it is perhaps necessary to make a statement as to their general character and quality. The best guides on this point are the population figures, the climate and the class of work, on which the inhabitants of the country are engaged.

The total population is round about 7,000,000 souls, of which nearly 5½ millions are African natives with little or no education, little monetary wealth, living chiefly in the native reserves. Their wants in the way of clothing materials are limited and their tastes simple. The climate of the greater part of the Union is temperate to sub-tropical, and the character of dress is affected thereby. For the most part, the only garment used by the African consists of a blanket or a kaffir sheet, generally of cotton. The Africans, work-

ing on European farms, in the towns and in the mines, probably number between 1½ and 2 millions and while the blanket as an article of apparel has not been entirely discarded, it has to some extent been replaced by " shorts and shirts " of strong materials, such as " khaki " and cottonade in the case of the men, and by dresses of printed blue drill in the case of women. The European population of 1½ millions is employed in about equal proportions in industry and agriculture, but, except in the cities and towns, the chief demand in the way of cotton goods is for heavy-weight, hard-wearing fabrics and the types of cloth used for shirting are at first somewhat surprising to anyone familiar with only the European and Indian markets. In one of the clothing factories, which the Mission had the pleasure of visiting, shirts were being turned out in large quantities for farmers and miners from cloths, weighing from 10 to 12 oz. per yard.

Besides wearing apparel, cotton goods are imported in large quantities for household purposes, such as sheets, towels, curtains, etc., by the European population. Summarising the position, it may be stated that, at the present time, the chief demand in South Africa is for heavy substantial cotton goods with good-wearing qualities, with a preference for coloured goods as against white or greys.

The natural port of entry into the Union for India is Durban, from which port there is direct steamer connection with Bombay. To a lesser extent, the ports of East London and Port Elizabeth, which have direct steamer connection with Calcutta, but not with Bombay, are also of interest as distributing and consuming centres for Indian goods, as also is Johannesburg. All these four centres and, in addition, Cape Town, Petermaritzburg, Pretoria and Kimberley were visited by the Mission, but the types of goods consumed at each place, which India is in a position to manufacture, do not vary greatly.

Types of cotton goods, consumed in South Africa. Grey sheetings and shirtings.—The trade in grey sheetings and shirtings of ordinary qualities and widths is comparatively small. What trade there is, is monopolised by the United Kingdom and Japan, with Japan gaining ground at England's expense. The standard for this trade is the Japanese 9 Dragon 36″ sheeting, manufactured by the Kanegafuchi mills. It has ousted similar qualities of English sheeting from the market, on account of its lower price.

Grey Drills.—There is a rapidly growing demand for grey drills, which is manufactured by the Toyo mills, Japan. Introduced into the market three to four years ago, it has almost entirely replaced English and American grey drill, with which it competes in quality and more than competes in price. It is used largely in the making-up trade as linings, and for garments by African women, employed in the towns and on the farms. The annual sales of this cloth were estimated by various merchants to amount to between £100,000 and £150,000. The price quoted for Toyo Drill on 21st May, 1928, was 16*s*. 9*d*. to 17*s*. per piece, c. i. f. Durban.

Grey Cotton Canvas.—There is a fair demand for cotton canvas for the manufacture of boot linings, sails and tents. It is imported chiefly from Japan and England. America was formerly a supplier, but has been ousted from the market by Japan. The greatest demand is for a 36″ cloth, weighing 10 ozs.

per yard, but 12, 14 and 16-oz. qualities are also imported. It is doubtful whether Indian mills could compete with the Japanese article at the price, which was being quoted while the Mission was in Durban, namely, 10¾*d.* per yard for a 10-oz. cloth.

Bleached Shirtings and Sheetings. Bleached Shirtings.—The trade in bleached shirtings is between four and five times as great as the trade in greys and is at present practically a monopoly of Great Britain. Its character is such that Indian mills can hardly hope to compete. The most popular lines are Horrocks and Leipmanns, standard shirtings.

Bleached Drills.—The trade in bleached drills is not a large one. A certain quantity is imported from England and Italy for use in the making-up trade. As the clothing industry is now protected by an import duty of 20 per cent *ad valorem* and is allowed to import its raw materials free of duty, it is possible that the large trade in ready-made suits from Calcutta will fall off, and the demand for white drill by the clothing factories in South Africa will increase; but the demand will never be great, owing to the general preference for cotton tussores, cotton palm beaches, cottonades and khaki drill as suiting materials. England supplies the better qualities of white drill and Italy, the lower.

Kaffir Sheets and Kaffir sheeting. Kaffir Sheets.—This is the name given in the Union of South Africa to a particular class of cotton garments, favoured by the native female population of South Africa. The kaffir sheets correspond to what in India is known as a 2/2 Grey Twill chadar, but the texture and feel is somewhat different from that ordinarily manufactured in India. The weft is of a low count, very soft-spun, and the warp is of a finer count and hard-twisted. The soft feel and the red and white and blue headings are features of the cloth and must be reproduced exactly before the goods will sell.

Kaffir Sheeting.—In addition to kaffir sheets, a somewhat similar fabric, but in a plain weave, is imported in very large quantities through East London for sale in the Transkei territories and Basutoland.

Cotton Blankets.—The total annual importation of cotton blankets into South Africa varies between 6 and 8 millions, and the extent of the local production is somewhere between 500,000 and 1,000,000. The types of blankets used may be divided roughly into two classes, Manchester and Continental blankets. The Manchester blanket is usually more closely woven, lighter in weight and less heavily raised, than the Continental blanket.

The Manchester cotton blanket is almost invariably white with coloured headings. These headings are practically limited to three patterns but the Continental blankets are made in a wide range of colours and an even wider range of headings. The sales of coloured-ground Continental blankets, especially those of Belgian and Dutch manufactures, have been very adversely affected during the last two years, owing to the establishment of a local cotton blanket weaving industry, which is protected by a duty of 1*s.* per lb.—which at to-day's prices represents a duty of between 100 and 150 per cent *ad valorem*.

Though the total sales of Manchester blankets and Continental and locally made white and grey blankets are so large, it is most unusual to see a white blanket being worn. They are almost invariably "dyed" or rather tanned

with red ochre, a substance which imparts to the blanket a saffron tinge. The red ochre, used for this tanning or dyeing process, is imported in powder form from England and though it should be possible to sell the blankets dyed to the correct shade at a competitive price, all efforts to introduce such a blanket have hitherto proved unavailing.

The trade in light-weight Manchester blankets has shown a distinct tendency to increase since the special blanket duty was levied a couple of years ago, for the reason that blankets under 12 oz. in weight pay duty at the rate of 25 per cent as against a duty of 1*s.* per lb. for blankets over that weight.

The demand for Continental blankets still persists in Rhodesia and Bechuanaland, where the duty on blankets is only 20 per cent. Most of this trade passes through the port of Lourenço Marques. In 1927 the value of the cotton blankets and kaffir sheets, imported through the Union of South Africa, Lourenço Marques and Beira, amounted to £150,000 in value.

Cotton Travelling Rugs.—Italy has recently built up a large trade in heavy-weight, double-sided cotton travelling rugs. The weave is usually 2/2 twill and the patterns most favoured are of a Tartan character, similar to the woollen travelling rugs so common in England. Occasionally these rugs contain a small proportion of animal fibres. They are rated for duty under item 61 (*a*) (*i*) of the Import Tariff and their weight and value are such that the maximum rate of duty has to be paid, namely, 2*s.* 6*d.* per rug.

Cotton Quilts.—In addition to the trade in cotton quilts and counterpanes for the higher-class Europeans, which is chiefly catered for by the United Kingdom, there is a considerable trade in cheap woven cotton quilts with fringes on all four sides. They are supplied by Japan in both white and coloured styles. The common use of these quilts is, of course, as bed coverings, but the smaller-size quilts are now being fairly extensively used as body wraps by the African population in place of cotton blankets. The price at which they are offered is low and it is somewhat doubtful whether Indian mills could compete in this trade.

Coloured Woven Drills, Denims and Cotton Suitings. Khaki Drill.—Drills, especially khaki drill, form an important item in the Union's piecegoods imports. The chief consumers are the clothing and shirt-making factories. The better qualities are supplied by England, but a certain amount of lower quality heavy-weight khaki drill—8/10 ozs. per yard—is imported from Italy.

The British khaki is of the well-known Spinner quality and the shade in most general demand is sandy brown, similar to that supplied by Germany to the East African market. There is a small trade in blue jeans for the making-up trade, but the qualities are lower than those usually made by Indian mills. There is a far bigger trade, running to about 10,000 pieces of 60 yards per year, in what is known as " Blue Denim ". That supplied by the Nelson Mills, Massachusetts, is the recognised standard. It is made in two qualities, weighing respectively 2·40 and 3·00 yards per lb. for a width of 28″/28½″ (the heavier cloth being more popular).

A cotton suiting, similar to the Vencedor drill, but considerably heavier in texture, is also imported in large quantities from America. It is known locally as an American " Covert " or Cottonade. This cloth comes in two qualities, measuring 2·40 and 3·00 yards per lb. The heavier weight has probably

the larger sale. The cloth is 28″ wide and is imported in 30 and 60-yard pieces. The range of patterns is not so wide as in the case of Vencedor drills and plain styles are preferred.

Printed Blue Drills.—The most popular lines are the American "Proximity" and "Stifel" printed drills, the sales of which run into several hundred thousands of pounds per annum. Next in importance to "Proximity" and "Stifel" drill is the German Blandruck, followed by the Italian line. A very wide range of designs is offered, especially in the German and Italian articles, but simple styles are preferred.

Cotton Crepe.—In the last few years Japan has built up a very considerable trade in plain and check cotton crepes. The largest importers of this article in the Union are the Indian firm of Messrs. Teikamdas Bros. of Port Elizabeth, whose annual sales amount to between 5,000 and 10,000 bales per year. The low price at which the Japanese article is sold probably precludes the initiation of a successful attempt to capture any of the trade at the present time.

Dyed Lawns and Voiles.—Dyed lawns and voiles, especially the latter, sell freely among the European population of South Africa, but the textures in vogue and the small extent of the market will offer little attraction to the Indian manufacture. The bulk of the lawns are imported from England and America is the country of origin for the major portion of the voiles.

Artificial Silk Shirting and Dress Materials.—There are two classes of artificial silk materials sold in the Union. A range of superior fabrics for the use of the European population, which is supplied by Germany, Czechoslovakia, England and Italy, and a cheaper and simpler line consumed in fair quantities by the native population for which Italy is the chief caterer.

Black Dyed Twills.—England controls the market in black dyed twills, for which there is a fair sale, both for the clothing trade—where it is used for linings—and for the native trade.

Cotton Poplins.—Cotton poplins in a variety of shades are imported from England in fair quantities for use as dress and suiting materials. The better qualities have a mercerised finish, but there is a fair demand for a heavier quality of unmercerised poplins of heavier weights for use in the making-up trade.

Striped Drills.—The low-quality striped drill shirtings, made in Bombay mills. have been sold in the South African market for many years and are popular amongst the natives, because of their excellent wearing qualities. The demand is at present tending to decrease, owing to a lack of variety and attractiveness in the designs and competition from Japanese striped drills, which have been put on the market recently. Provided greater attention is paid to packing and sampling and more attractive designs are supplied and a more generous policy of sampling is introduced, it should be possible for Indian mills to regain some of the trade which they have lost.

Terry Towels.—Terry towels are imported in very large quantities and in a wide range of sizes from both England and Japan. The more usual sizes of English hand towels are 18″ to 26″ wide and 30″ to 45″ long. The Japanese towels imported are extremely low, both in quality and in price. The usual sizes imported are 12″×30″, 13½″×33″, 16″×36″, 18″×36″, 21″×48″, 22″×48″. The small sizes are used as children's body wraps by the native population and are popular on account of their low price.

Dhoties and Sarees.—Sarees are still worn by the Indian female population of the Union, but the demand is decreasing from year to year. Dhoties are seldom seen, as the male population have adopted the European style of dress. Artificial silk sarees are popular, the majority being imported from Czechoslovakia.

Cotton Bags.—There are large and growing tobacco and flour industries in the Union. For home consumption the tobacco is always sold in cotton bags. Hitherto these bags have been imported from England, but the type of fabric used should render their manufacture in India possible. About 10,000,000 tobacco bags per annum are required. The requirements in the way of flour bags for the Union are even greater. For the sugar trade a cotton-lined hessian bag is the standard. About 5,000,000 of these bags are imported annually.

Cotton Yarns.—In ordinary cotton yarns the imports are negligible, but the development of the cotton blanket industry has created a demand for waste condenser yarns. The counts used vary from 2*s* to 6*s*, the major portion being of the lower count. It is unlikely that the existing cotton blanket factories will attempt to manufacture their own yarn for many years to come, as labour is inexperienced, supervision expensive, no supplies of cotton waste available and the last, but not the least, condenser yarns for manufacturing purposes pay no import duty. The chief disadvantage in importing the yarn on the cop is that freight is expensive, because of the lightness and size of the packages.

Cotton Waste.—The South African railways require about 1,000 tons of reeling waste of low quality annually for cleaning purposes. The prices paid hitherto have been good and there is no apparent reason why this contract should not come to India. Quotations have to be made through a firm or agent resident in the country and in possession of a trading license, but it would be a fairly easy matter for a mill to get a suitable firm or agent to represent them and tender on their behalf.

Registration of Designs and Trade Marks.—The South African Trade Mark Law closely follows the old Trade Mark Law of the United Kingdom. Designs of woven fabrics may also be registered.

Designs.—Upon proper application on the prescribed forms an applicant may register a design that is new or original and is not described in any publication, nor is registered or patented by another person in any other country. Registration lasts for five years, but the period may be extended. The registration of cotton goods designs in South Africa is not unusual in the case of certain American prints. The registration of woven designs is less common. The charge for registering a set of designs for a five-year period is £1 only. Cotton piecegoods designs are divided into several classes as under:

Class 13.—Printed or woven designs on textile piecegoods (other than checks or stripes).

Class 14.—Printed or woven designs on handkerchiefs and shawls (other than checks or stripes).

Class 15.—Printed or woven designs on textile piecegoods, handkerchiefs or shawls (being check or stripes).

Class 16.—Goods not included in other classes.

Trade Marks.—Under the South African Law a registrable Trade Mark must contain at least one of the following essentials :—

(a) the name of a company, individual or firm, represented in a special or particular manner ; or
(b) the signature of the applicant for registration or of some predecessor in his business ; or
(c) an invented word or invented words ; or
(d) a distinctive word or words, not reasonably required for use in the trade ; or
(e) any other distinctive mark.

The Registrar may refuse to register a trademark which contains :—

(a) a representation of the King, the Queen, or any member of the royal family, or of the royal crown ; or
(b) the word " Royal " or any word, letter or device, indicating royal or Government patronage; or
(c) a representation of the royal arms, or of the national flag of the United Kingdom, or of the national arms of the United Kingdom, or of the arms or seal of the Union ; or
(d) a representation of any living person without his written consent.

Any person claiming to be the proprietor of a trade mark may apply for registration. An appeal from the Registrar's refusal of registry may be made, or opposition may be filed or noted. The period of registration is 14 years, but may be extended from time to time.

Trading Licenses.—No person or firm is allowed to act as an agent or sell goods on behalf of a foreign firm, unless he possesses a license to trade as an agent. The annual charge for such a license is £75 per annum ; in the case of persons resident for more than 3 years in the Union, the charge for a license is halved. Any employee of an agent's firm, who actually invites, solicits, canvasses or accepts orders for the sale of supplies of goods has likewise to be in the possession of licenses, but in such cases the charge levied is only £15 per annum. In the case of firms representing more than one foreign firm, one license will cover all the firms represented, provided that their names are inserted in the license.

As a general rule, Indian firms would not be charged in the cost of license, unless they maintained their own selling representatives in the Union, and appointed persons not already in possession of travellers' licenses.

Duties on Samples.—Samples sent to the Union are admitted free, if of no commercial value, but it should be noted that the Customs authorities do not allow free importation of any articles that can be sold.

Merchanting.—In the Union of South Africa, probably between 75 per cent and 80 per cent of the cotton piecegoods are imported by about a dozen large firms of distributors, who maintain branches in all the principal towns, where considerable stocks are held and in whose behalf a large number of salesmen periodically travel the country. These wholesale houses are often closely bound up with firms of London and Continental shippers and, in certain instances, obtain the greater portion of their requirements through their head offices in London. In the majority of cases, however, although payment for goods supplied to such firms is made in London, they are allowed a fairly free hand in the matter of buying for the particular requirements of each of

their branch establishments and, in certain cases, are in a position to take up agencies for special lines. Business with such houses is eminently desirable and satisfactory in every way, and in any scheme for the extension of India's trade in South Africa their interests must be taken into consideration. Most of these large wholesale houses are of British nationality, but a number of them are controlled by Jews or Indians.

In addition to these large wholesale distributing houses there is a fairly large number of extremely reputable British firms, who act as agents for London and Continental shippers. Such firms would probably prefer to do business with India on an agency basis. These houses maintain a very close touch with the wholesale distributing houses, to whom the great bulk of their sales are made.

In addition to the large wholesale and export commission houses there is a network of local manufacturers' agents throughout the Union. They are in reality salesmen who call on the trade generally, both wholesale and retail, purchasing various lines of merchandise. German, Belgian and Continental exporters generally have tended to rely more and more on such agents. In the American trade there has been a distinct tendency towards more direct business and manufacturers' agents, acting as direct and, in some cases, as sole representatives, have contributed to this tendency. Mr. Perry Stevenson, American Trade Commission, in a report written in 1923 describes the procedure adopted by manufacturers' representatives, when booking orders. "The orders are made out in quadruplicate, two copies being for the buyer, one of which he forwards to the London, Hamburg or New York Shipping Houses, the other being kept on his file for reference. The remaining two copies are taken by the traveller, one for his firm or principals, the other being his file copy. The order must be accepted by the manufacturer and confirmed by the shipper or commission house. Buyers' stipulations or conditions surrounding orders are always made part of the order form, or indent form, as it is more generally termed." With such a well organised system for marketing and pushing goods, as exists in the Union, it should not be difficult to devise a satisfactory means of pushing the sales of Indian goods, which can compete in quality and price with the manufactures of other countries, but the fact remains that hitherto little or no use has been made by Indian manufacturers and Indian shippers of the facilities available.

Another method of selling Indian goods in South Africa, which might be adopted, would be that of group selling, the advantages of which have been demonstrated in many lines in America. For an industry, such as the Bombay Mill industry, in which many of the individual mills produce exactly similar lines, the advantage of group selling would be considerable; but in South African market and in certain other countries there would probably be no need to establish a new distributing organisation, since the means of distributing and pushing saleable lines already exists.

Credits and banking facilities.—Long credits are unusual in the cotton piece-goods business with South Africa, 60 days' sight draft on London being the most general period allowed by British and American firms. Belgian and German firms usually work on a 90 days' credit basis. Japan usually gives 60 days' credit to recognised houses, but the small existing Indian trade is almost invariably done on a cash against documents basis, payment being made by letter of credit. There is no particular need for Indian shippers to insist on

payment with order terms, as the financial standing of most of the larger firms in South Africa is very sound, but it is also equally true that a request for long credits should be regarded as a signal of financial weakness or that the firm is too small to be in the importing business.

The credit standing of any firm in South Africa can be ascertained from Messrs. R. G. Dun & Co., Commercial Enquiry Agents, Mansion House, Adderley Street, Cape Town. This firm has branch offices in Durban and Johannesburg and Indian exporters would be well advised to consult them, before opening up business or granting credit to new customers. Discount rates to firms of good standing in the Union are low and advances can usually be obtained against good securities at ½ per cent to 1 per cent over the bank rate, which, at the time of visiting the Union and for 2 years previously, stood at 4 per cent.

Packing, Sampling and Making-Up.—During their stay in South Africa the members of the Mission had opportunities of examining closely the packing given to cotton piecegoods by the different exporting countries and it must be admitted at once that the packing of Indian goods was inferior to that of all other countries. In one instance we saw a bale of striped shirting drills opened up, in which every one of the outside pieces had been damaged considerably, if not rendered absolutely unsaleable, by rust marks from the iron hoops surrounding the bales, and, in addition, the ends of every piece had been slightly stained with rust from the lateral hoops surrounding the bale. An English and a Belgian bale were opened up in the same warehouse and the contents were perfect. The merchant informed the Mission that the monetary loss caused would have to be borne by him, as the railway companies in South Africa refused to recognise claims for damage to the contents of a bale with only a single hessian covering. The responsibility for this bad packing must be attributed to the Bombay shippers and not to the mills from which the goods were bought, since, at the time of baling, the mills which had been given no special packing instructions could not have known that the goods were intended for sale overseas. The difficulty can only be overcome by South African merchants insisting on what they term Export Packing, by which they mean double hessian and a paper lining. Certain of the better class English lines are packed in wooden cases, some of them tin-lined, but the expense of such a packing would be unjustified in the case of Indian piecegoods.

Sampling.—The system of distribution and sale of piecegoods in South Africa necessitates very generous and attractive sampling. Except in the case of well known and running lines, unvarying in design, quality and texture from year to year or in case of repeat orders for the same designs, at least six complete sets of sample cards—attractively mounted and put up in such a way that the complete range of patterns can be seen and, if necessary, tested for quality by buyers—should be sent in advance of each order of any size. These sample cards form the traveller's stock in trade and he takes them round with him, while touring the country, soliciting orders from retailers and wholesalers in districts remote from the larger trading centres. Retail buyers choose their requirements from these sample cards and when this point is considered, the necessity for attractive displays will be apparent. Most Indian exporters have in the past contented themselves with sending one badly made-up, unmounted shipping sample with each order, and although the will

to push Indian goods may exist with the wholesale buyer or importer of Indian goods in South Africa, he is hindered from doing so effectively by reason of the fact that, if he wishes to supply his travellers with sample sets, he has to make them up himself—a course which he will not be inclined to take, because, when buying goods from other countries, he is invariably supplied with sample cards by the shippers. In any event, travellers' sample sets of Indian goods could not be made up in time to show to customers in advance of the arrival of the goods. If the sample cards are prepared, it means that the goods have to be kept in stock for a longer time than is necessary with the goods of other countries, which are frequently sold by the time they arrive in the hands of the distributors.

Making-up.—The requirements of the South African market in regard to making-up in the lines which Indian mills could supply are not difficult to meet. Generally speaking, narrow-width goods are made up shirting or rolled fold, the better qualities being papered. Goods over 36″ in width are generally required to be made up double width and rolled without boards. Stamping is usual, except in the case of grey and bleached goods, but the use of attractive labels is general. If the goods are to be papered, the label should be put on the outside of the paper wrapper and a cutting of the cloth should be attached to the end of the parcel, so that purchasers may be able to see the design without opening up the parcel.

Shipping and transportation facilities.—The B. I. S. N. Co. maintain a fortnightly service between Bombay and Durban, but there is no direct service of steamers to other ports of the Union from the west coast of India ; and transhipment for ports south of Durban must be effected at either Aden or Durban. By transhipping at Aden, weekly shipments could probably be effected from Bombay to all ports of the Union and it is possible that the inclusive freight would be lower than by transhipping at Durban, owing to the heavy freight and port charges in the South African coastal service. The time occupied on the journey would probably be somewhat greater than would be the case with transhipment at Durban.

The freight from Bombay to Durban is quoted round about R36 (54*s.*) per ton, which in our opinion is high compared with freight from Antwerp or Hamburg, which can be obtained at 25*s.* per ton. As the price margin on the export trade in Indian cotton piecegoods is extremely narrow, a reduction in freight will always be of assistance in any efforts which are made to increase the trade.

Prompt delivery and shipment, etc.—The necessity of prompt delivery and shipment requires to be emphasised. South African importers are used to ordering from English manufacturers, from whom they can obtain shipments in a comparatively short period.

In view of the less frequent sailings from Bombay it is essential that shipments should be up to time and as prompt as possible. Complaints were received from many sources that Indian shippers are negligent in the matter of delivery, a matter which could easily be remedied, if the export trade to the Union were more closely organised.

Quotations.—Quotations for all classes of piecegoods, except kaffir sheets and blankets, should always be made in pence per yard and, if possible, on a c.i.f.c.i. basis.

Certain English and Belgian goods are sold on f.o.b. and even on ex-mill terms, in which case packing is charged extra; but the practice is not popular with merchants and Indian mills would be well advised to avoid following it. Blankets and kaffir sheets are generally sold on a pence per lb. basis, either ex-mill or c.i.f.

Rates of commission, etc.—The rates of commission which have to be paid to agents and representatives are high as compared with Indian standards, 2½ per cent to 5 per cent commission being common in the case of piecegoods. It must, however, be remembered that the services rendered by the agent, with his staff of travellers touring the whole country at frequent intervals, are more involved and more satisfactory than the services usually rendered by an agent in India. The rate of commission paid by English and American firms is usually 2½ per cent to 3 per cent; Belgian, German, and Italian firms generally pay somewhat higher rates.

Owing to the system of distribution and marketing, the difference between c.i.f. prices and retail prices is very much greater than in India. To cover his expenses the wholesaler must be able to count on a profit of 25 per cent to 30 per cent and the retailer, except in the larger centres of population, demands a profit of between 40 per cent and 50 per cent. This means that, by the time the goods go into consumption, the price is roughly 100 per cent higher than the price received by the manufacturer. The difference between the importers' price and the retail price, in the case of blankets, is slightly less than the above figures.

Methods of fostering trade.—The methods of fostering trade in South Africa by India in the past have probably not been the most suitable, which could have been adopted. Little has hitherto been done by Bombay shippers or manufacturers to get in touch with the large European distributing houses and most of the business which has been done has been through the medium of Indian houses, the majority of which are small and of a semi-retail nature. These firms work on a much smaller margin of profit than the big European distributing houses; but, with one or two notable exceptions, they do not possess the facilities or the organisation necessary to ensure a wide field of distribution. It has been said with a certain amount of justification that once a line, no matter how excellent, gets into the hands of a certain class of firms the price is cut so close by the keenness of local competition, both wholesale and retail, that the line is soon spoiled. That such has been the result in the case of Indian striped drill shirtings is tolerably certain, and steps should be taken to ensure that any new lines introduced do not meet with the same fate. It would probably be far better for the prospects of future business, if exporters distributed new lines to a few selected importers and wholesalers in the larger cities; and they could then undertake these new and untried lines without fear of undue competition. When once a line was established in public favour, a more general system of distribution could be inaugurated, if necessary, provided that the prices quoted to all importers were the same. Another factor which has militated against the development of the trade with South Africa has been the lack of direct touch between the business men in the two countries and a general lack of knowledge, on the part of Indian manufacturers, of the special requirements of the South African market, and a lack of knowledge, on the part of South African merchants, of the manufacturing capabilities of Indian mills.

Freight Rates

The direct contact established by the Mission with the mercantile community of South Africa should be maintained and every encouragement given to any measures or proposals suggested for the development of reciprocal trade between the two countries.

Shipping Freight Rates.—The following tables give the rates of freight between various ports in India and the Union of South Africa, as far as could be ascertained during the visit of the Mission.

Rates of freight from Calcutta to Beira, Lourenço Marques and Durban.

Commodity.	Rate.
Gunnies	45*s.* per 40 cubic ft.
Rice, dhall and flour	37*s.* 6*d.* „ „
Oil and ghee	52*s.* 6*d.* per ton.
Whole and crushed myrobalans	31*s.* 3*d.* per 40 cubic ft.
Teak planks and sleepers	52*s.* 6*d.* „ „
Teak logs and squares	75*s.* „ „
General cargo	45*s.* „ „

In addition to the above rates 10 per cent fumage is charged on all shipments, 5 per cent of which is returned to Calcutta under the usual rebate conditions.

To the ports of East London, Port Elizabeth, Mossel Bay and Cape Town the rates are 7*s.* 6*d.* per ton higher.

The landing charges are 3*s.* per ton of 20 cwts. or 50 cubic feet on Lourenço Marques cargo, and 7*s.* 6*d.* per ton of 2,240 lbs. or 40 cubic feet or 9*s.* 6*d.* per ton of 50 cubic feet on Beira cargo, when the lifts do not exceed 2 tons. These landing charges are also payable in Calcutta.

Rates of freight from Rangoon and Moulmein to Beira, Lourenço Marques and Durban.

Commodity.	Rate.
Rice	37*s.* 6*d.* *plus* 10 per cent fumage *plus* 15*s.*
Wax	45*s.* „ „ „ „
General cargo	45*s.* „ „ „ 17*s.* 6*d.*
Teak planks	52*s.* 6*d.* „ „ „ 20*s.*
Teak logs	75*s.* „ „ „ 20*s.*

The extra freight to East London, Port Elizabeth, Mossel Bay and Cape Town is 7*s.* 6*d.* per ton.

Half the fumage is returnable to loyal shippers under the usual rebate conditions. All rebates are repayable in Calcutta and Moulmein.

On the journeys from South Africa to India there is no differentiation between the rates for the various ports in South Africa at which the goods are loaded, nor is there any differentiation between the rates for Madras, Calcutta and Rangoon. In some cases the rates are slightly higher for these ports than they are for Colombo; the following list gives the actual rates in force at present.

Rates of freight from Beira, Delagoa Bay, Durban, East London, Algoa Bay, Mossel Bay and Cape Town to Colombo, Madras, Rangoon and Calcutta (berth steamers).

Commodity.	per	Colombo.	Calcutta, Madras or Rangoon.
Acids	W or M	100/-	100/-
Buchu Leaves	W	1*d.* lb.	1*d.* lb.
Bark—pressed	W	35/-	35/-
extract	W	40/-	40/-
bagged	W	45/-	45/-
Beer (colonial)	M	30/-	30/-
Biscuits (colonial)	M	30/-	35/-
Confectionery (colonial)	M	30/-	35/-
Cement (in bags)	W	20/-	25/-
Carbide (in drums)	W or M	70/-	70/-
Coke (in bags)	W	25/-	30/-
Coal and Coke (bulk)	—	open rates.	—
Cylinders, empty	M	20/-	20/-
Carbon Dioxide	W	40/-	45/-
Dried Fruits (colonial)	M	30/-	35/-
Drums (empty)	M	20/-	20/-
Fertilizers	W	22/-	22/-
General cargo (not otherwise enumerated)	W or M	40/-	45/-
Hides, dry	W	5/8*d.* lb.	5/8*d.* lb.
Horses, in hold without food each	—	£15 15 0	£15 15 0
„ „ with food „	—	£23 0 0	£23 0 0
„ on deck without food „	—	£23 0 0	£23 0 0
„ „ with food „	—	£30 0 0	£30 0 0
Jams (colonial)	M	30/-	35/-
Kaolin	W	25/-	25/-
Lucerne	W	30/-	35/-

Rates of freight from Beira, Delagoa Bay, Durban, East London, Algoa Bay, Mossel Bay and Cape Town to Colombo, Madras, Rangoon and Calcutta (berth steamers)—contd.

Commodity.	per	Colombo.	Calcutta, Madras or Rangoon.
Maize . . . . . per 2,000 lbs.	W	20/-	25/-
Motor cars	W or M	40/-	45/-
Natural gas	W or M	40/-	45/-
Oats.	W	30/-	35/-
Orange, fresh (in shelter deck)	M	30/-	—
Specie	Special arrangement.		
Soap (colonial)	M	30/-	35/-
Starch („)	M	30/-	35/-
Salt	W	25/-	25/-
Skins	W	5/8*d.* lb.	5/8*d.* lb.
Spirits (rectified)	M	60/-	60/-
Squash (lemon or orange)	M	30/-	35/-
Sulphate of ammonia	W	40/-	40/-
Sugar	W	25/-	25/-
Vinegar (colonial)	M	30/-	35/-
Wines and Spirits (colonial)	M	45/-	50/-
Whale Oil (in drums)	W or M	40/-	40/-
Wool grease	W	5/8*d.* lb.	5/8*d.* lb.
„ Scoured	W	1*d.* lb.	1*d.* lb.

N.B.—1. All rates exclusive of shipping at all ports.

2. Per ton of 40 c.ft. or 2,240 lbs., unless otherwise stated.

3. Cargo accepted on through Bills of Lading from Cape ports with transhipment at Durban—30 per ton extra.

4. Rectified spirits. Application to be made to owners before acceptance.

5. In the event of vessel's not giving direct discharge at any of the above ports, a further charge of 22/6 per ton to be added to above rates to cover transhipment and on-carrying freight charges from first discharge port.

Bark to Vizagapatam.—Accepted with minimum of 300 tons by arrangement.

From Durban to Bombay the rate of freight of general cargo is 70*s.* per ton of 2,240 lbs. or 40 cubic feet. In the case of cargo from ports south of

Durban, transhipment at Durban is involved and this adds considerably to the total freight; *e.g.*, on fruits from Cape Town to Bombay the total freight, including transhipment at Durban, is 105*s.* per ton.

The advantages of the servi e from Durban to Bombay are that it is a regular service to time-table and it · also fairly fast.

Chambers of Commerce and Chambers of Industries.—In the towns visited by the Mission in the Union, *viz.*, Durban, Pietermaritzburg, Johannesburg, Pretoria, Kimberley, Cape Town, Port Elizabeth and East London, there were influential and well-organised Chambers of Commerce with permanent offices and permanent secretaries and staff.

Similarly, in the Union there is the South African Federated Chamber of Industries, which has affiliated to it the following organisations: Border Chamber of Industries, Cape Chamber of Industries, Midland Chamber of Industries, Natal Chamber of Industries, Natal Sugar Millers' Association and the Transvaal Chamber of Industries.

These Chambers of Commerce and Chambers of Industries embrace the whole commercial and industrial interests of the Union and their executives are ready and willing to offer service to overseas firms and to answer enquiries from overseas. They are authoritative bodies and enquiries addressed to the Secretaries of any of these Chambers will be delivered without any difficulty.

Railways, Posts and Telegraphs, Harbours, etc.—In a highly developed country like the Union of South Africa there is no necessity to say anything about the public services beyond mentioning that they are all up-to-date and efficient and that Durban, which is the nearest port for goods from India, has a magnificent harbour with modern equipments. Practically all the trade, to and from Durban, with India will be done on a c.i.f. Durban basis for imports from India and either c.i.f. Bombay or f.o.b. Durban for exports to India.

Chief Towns in the Union.—The chief towns in the Union of South Africa are those which, as has already been mentioned, were visited by the Mission. For the sake of convenience they may be taken in the order of the tour.

Durban.—Port of Natal; population 146,000.

Johannesburg.—Largest town in the Union; centre of the gold mining industry; population 288,000.

Pretoria.—Seat of Government; situated in an agricultural area; population 74,000.

Kimberley.—Centre of the diamond mining industry; population 40,000.

Cape Town.—Seat of the legislature; large sea port, farthest from India; nearest the wine-producing area; population 207,000.

Port Elizabeth.—Port on the south-eastern portion of Union; ships lie out on the roads; wool-growing areas in the immediate hinterland; population 46,000.

East London.—Also on south-eastern sea front; wool and fruit growing in the immediate hinterland; population 35,000.

CHAPTER XXIV.

CONCLUSIONS AND RECOMMENDATIONS.

Foreign Trade Summary.

Country.	Population in millions.	Domestic imports in £1,000.	Domestic exports in £1,000.	Transit trade in £1,000.	Domestic imports and exports in £1,000.	Value per head in £.
1	2	3	4	5	6	7
Persia, 1923-24	14	13,885	15,368	—	29,253	2·1
India's share	—	*2,385*	*1,320*	—	*3,705*	—
*Iraq, 1926-27	3	7,950	3,457	4,290	11,407	3·8
India's share	—	*1,427*	*667*	—	*2,094*	—
Syria, 1927	2	10,413	3,519	—	13,932	7·0
India's share	—	*307*	*3*	—	*310*	—
Turkey, 1926	13	24,000	20,000	No statistics	44,000	3·4
India's share	..	..	..	..	..	..
Egypt, 1927	14	49,902	49,548	No statistics	99,450	7·1
India's share	—	*1,716*	*653*	*Do.*	*2,369*	—
Sudan, 1927	6·5	5,713	4,998	Do.	10,711	1·7
India's share	—	*763*	*3*	—	*769*	—
Aden, 1925-26*	—	5,233*	4,912*	—	10,145	—
India's share	—	*1,267*	*225*	—	*1,492*	—
Kenya and Uganda, 1927	5·7	7,697	5,397	—	13,084	2·3
India's share	—	*677*	*1,030*	—	*1,707*	—
Tanganyika, 1927	4·5	3,672	3,441	1,493	7,113	1·6
India's share	—	*530*	*64*	—	*594*	—
Zanzibar, 1927	0·2	1,089	1,142	682	2,231	11·1
India's share	—	*352*	*263*	—	*615*	*approximately.*
Portuguese East Africa	3·6	2,866	1,557	7,884	4,423	1·2
South Africa, 1927	6	74,000	96,300	—	170,300	28·4
India's share	—	*2,406*	*351* *Merchandise* *4,026* *Gold* *3,315* *Specie*		*9,098*	—
India, 1926-27, added for purposes of comparison.	320	196,000	226,000	—	422,000	1·3

* Mostly to and from Southern Red Sea ports.

Value of per capita *consumption of imported cotton goods by countries.*

Countries.	Population in millions.	Total value of imports in £1,000.	Value of re-exports and transit trade in £1,000.	Value of domestic consumption of imported cotton piecegoods in £1,000.	*Per capita* value of domestic consumption of imported cotton goods in £.
1	2	3	4	5	6
Persia, 1923-24	14	4,062	—	4,062	·29
'Iraq, 1926-27	3	3,130	1,474	1,506	·50
Syria, 1927	2	2,764	236	2,528	1·26
Turkey, 1924	13	7,500	—	7,600	·58
Egypt, 1927	14	7,543	30	7,513	·53
Sudan, 1927	6·5	871	—	871	·13
Aden, 1925-26	—	1,642	1,425	217	—
Kenya and Uganda, 1927 . . .	5·7	—	—	1,124	·20
Tanganyika, 1927	4·5	—	—	1,007	·22
Zanzibar, 1927	0·2	339	238	101	·50
Portuguese East Africa, 1926 . .	3·6	636	—	636	·18
South Africa, 1927	6	4,344	—	4,344	·72
India, 1926-27, added for comparison	320	46,200	890	45,310	·14

Quantities by classes of imported cotton piecegoods consumed in various countries.

Countries.	Grey.		Bleached.		Printed.		Dyed in the piece.		Dyed in the yarn.		Total.		Blankets.	
	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	No. in 1,000.	Per-cent.
PERSIA, 1924-25—														
Total	10,500	..	14,900	..			69,425		25,775	..	120,600	..	..	..
*India's share**	*5,556*	*53*	*60*	*0·4*			*44,459*				*50,075*	*42*	..	..
'IRAQ. 1926-27—														
Total	11,616	..	15,103	..	14,052	..	15,725	..	7,130	..	63,626	..	..	..
*India's share**	*11,057*	*95*	*779*	*5·1*	*138*	*1*	*6,735*	*43*	*4,534*	*64*	*23,243*	*37*	..	..
SYRIA, 1927—														
Total	18,816	..	13,280	..	9,670	..	10,584	..	13,575	..	65,925	..	..	..
*India's share**	*446*	*2·4*	*92*	*0·7*				*2,368*			*2,926*	*4·4*	..	..
TURKEY, 1926—														
Total	£ 7,600,000 was value of the imports of cotton piecegoods and yarn and of this £ 800,000 was the value of yarn. India's share is at present practically *nil*.													
EGYPT, 1927—														
Total (1,000 sq. yds.)	68,339	..	62,881	..	49,629	..	38,309	..	41,957	..	261,115	..	..	..
*India's share**	*Nil*	..	*Nil*	..	*Nil*	..	*Nil*	..	*1,280*	*3·0*	*1,280*	*0·5*	..	..
SUDAN, 1927—														
Total	28,562	..	4,352	..	858	..	11,099		637	..	43,508	..	..	..
*India's share**	*436*	*1·7*	*23*	*0·5*				*1,498*			*1,957*	*4·5*	..	..
ADEN, 1926-27—														
Total	54,648	..	8,958	..				10,125			73,731	..	..	..
*India's share**	*2,080*	*3·8*	*159*	*1·8*				*4,377*			*6,616*	*9*	..	..

* Abstracted from the Indian Sea-borne Trade Returns.

Quantities by classes of imported cotton piece goods consumed in various countries— contd.

Countries.	Grey.		Bleached.		Printed.		Dyed in the piece.		Dyed in the yarn.		Total.		Blankets.	
	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	Quantity in 1,000 yards.	Per-cent.	No. in 1,000.	Per-cent.
KENYA AND UGANDA, 1927—														
Total	16,987	..	3,175	..	3,401	..	5,221	..	8,306	..	37,090	..	1,669	..
*India's share**	*2,880*	*17*	*18*	*0·6*	*136*	*4*	*202*	*4*	*2,342*	*28*	*5,578*	*15*	*60*	*3·6*
TANGANYIKA, 1927—														
Total	14,836	..	3,096	..	5,116	..	8,251	..	5,831	..	37,130	..	706	..
India's share	*4,557*	*31*	*113*	*3·8*	*30*	*0·6*	*3,251*	*39*	*1,499*	*26*	*9,455*	*26*	*95*	*13*
ZANZIBAR, 1927—														
Total	2,280	..	470	..	1,684	..	552	..	627	..	5,613	..	*Nil*	..
India's share	*1,098*	*48*	*25*	*5·4*	*62*	*3·7*	*276*	*50*	*90*	*14*	*1,551*	*28*	*Nil*	..
PORTUGUESE EAST AFRICA, 1926—														
Total	..	..	..	..	..	..	..	..	..	..	13,659	..	188	..
India's share	*2,825*	..	*47*	..	*7,467*	..	..	..	..	..	*10,339*†	*76*	..	..
SOUTH AFRICA, 1927—														
ota			Value figures only available								£3,694,000	..	650	..
*India's share**	*96*	..	*21*	..			*1,110*				*1,227*	*·6*	..	..
INDIA, 1926-27	736,680	..	565,622	..	435,516	..	..	..	..	..	1,737,818	..	..	..

* Abstracted from the Indian Sea-borne Trade Returns.
† Includes a certain amount of transit trade.

Foreign Trade Summary.

Quantities and Values of Cotton Yarn Imports.

Country.	Quantity in 1,000 lbs.	Percentage of trade held by India (quantity)
Persia, 1924-25—		
Total Imports	5,218	—
India's share	*2,249*	*43 per cent.*
'Iraq, 1926-27—		
Total Imports	1,034	—
India's share	*961*	*93 per cent.*
Syria, 1927—		
Total Imports	6,303	—
India's share	*Not specified*	*50 per cent. (estimated).*
Turkey, 1924—		
Total Imports	No statistics	—
India's share	,,	*25-30 per cent. (estimated).*
Egypt—		
Total Imports	6,807	—
India's share	*4,418*	*65 per cent.*
Port Sudan, 1927—		
Total Imports	32	—
India's share	*20*	*62 per cent. (estimated).*
Aden, 1925-26—		
Total Imports	3,075	—
India's share	*2,783*	*91 per cent.*
Kenya and Uganda	Consume little or no yarn	
Tanganyika		
Zanzibar		
Portuguese East Africa		
South Africa		

SECTION I.

General export markets.

In attempting to arrive at conclusions regarding the potentiality of a foreign country as a market for Indian produce and Indian manufactures, it is desirable to obtain some measure of the prosperity of the country which, when combined with the population figures, will give a measure of the market possibilities. Various methods might be adopted for this purpose, and necessarily they must all be approximations, but a procedure which is frequently followed, is to work out the value of the foreign trade per head of population for each country and take this figure as an index of the foreign trading activities of the country. This has been done in table on page 227 for the countries which we have visited.

Column 3 of the table shows the value in thousand pounds sterling of what have been called "domestic imports." By this term we mean the goods imported into the country which are actually consumed by the people of the country. Similarly in column 4 the term "domestic exports" only includes the goods exported which are the produce of, or manufactured in, the country. Column 5 gives the figures for transit trade as far as these are available. The figures in column 6 are simply the totals of those in columns 3 and 4, while the figures in column 7 obviously result from dividing those in column 6 by the population figures in column 2. The figures in column 7 give in pounds sterling the value of the foreign trade per head according to countries. India has been included in the table for purposes of comparison.

For the purpose of estimating the size of a market the question of population must be considered in combination with the *per capita* external trade figure, the result being that the figures in column 6 for the total domestic imports and domestic exports are much more appropriate. This total figure will only be of value as a measure of the size of the market in general. It does not indicate whether any one country will necessarily prove an appropriate market for Indian products. This will depend on whether the list of imports of the country in question contains many articles exported from India or whether India imports goods similar to those exported by the other country. The absence of points of contact has forced itself upon our notice repeatedly in our endeavour to discover avenues of export trade to India from those countries which we have visited. A glance at the list of countries will show that in the majority of cases they are agricultural countries, mainly producing and exporting what India herself produces and exports, frequently in much larger quantities. To the extent that India is industrialised, the meeting points, *e.g.*, in jute manufactures, tea and cotton piecegoods, for India with the other countries have been more numerous. Further contacts also exist where one or other country has the advantage of a special crop, *e.g.*, dates in 'Iraq, staple cotton in Uganda and rice in India.

The figures in column 5 for transit trade, *i.e.*, for trade in goods which merely pass through the particular country under examination to another beyond, are also of importance in forming an estimate of the size of the market.

The figures in the table have been extracted from the official statistical returns of the countries to which they refer and in each case the latest figures

available at the time of our visit have been taken, and the values have been reduced to pounds sterling at the rate of exchange current at that time.

From the figures in column 7 we may group Persia, Sudan, Tanganyika and India together, with Kenya and Uganda somewhat further up the scale. 'Iraq and Turkey naturally come next at about the same level, whereas Egypt, Zanzibar, Syria and South Africa follow in that order in quite a different class. The figure for Syria is inflated due to the present abnormal conditions. Whatever value may be placed on the index figures obtained by this method, an estimate based on general impressions obtained while visiting these countries produces similar results. Persia is a mountainous country with large barren tracts, primitive agriculture and no railways. Sudan and Tanganyika are still largely undeveloped. The average for Kenya and Uganda is raised by the Europeans and Indians in Kenya and by the high value of the cotton crop in Uganda. The date and grain crops and the established trade position of Baghdad are responsible for 'Iraq's figure, while the very valuable cotton crop in Egypt and the clove crop in Zanzibar are by far the most important factors in placing Egypt and Zanzibar so high relatively. The higher standard of agriculture and the valuable mining industries in South Africa give that country the figure which is so outstanding among the countries under review.

When we come to consider these countries as general purchasing markets we find an entire change in their relative positions. Taken in order of magnitude the more important are placed as follows :—

(1) India, £196 millions ; (2) South Africa, £74 millions ; (3) Egypt, £50 millions ; (4) Turkey, £24 millions ; (5) Persia, £14 millions ; (6) Syria, £11 millions ; (7) Kenya and Uganda, £8 millions, etc. Similarly if we place the countries in order according to the annual value of the goods purchased from India they arrange themselves thus :—

	£ (Millions.)
(1) South Africa	2·4
(2) Persia	2·4
(3) Egypt	1·7
(4) 'Iraq	1·4
(5) Aden	1·3
(6) Sudan	0·8
(7) Kenya and Uganda	0·7
(8) Tanganyika	0·5

From the point of view of travelling facilities the area may be divided into the following natural groups of countries :—

Group A	Persia. 'Iraq.
Group B	Syria. Turkey. Egypt.
Group C	Aden. Sudan. Other countries bordering on the Red Sea.
Group D	Kenya. Uganda. Tanganyika. Zanzibar.
Group E	Portuguese East Africa. Union of South Africa. The interior area served from these two countries.

and Groups A and B are closely allied in many respects and can be taken together. Groups A and B buy from India annually to the extent of 5·8 million pounds sterling, without taking into consideration Turkey for which figures are not available. For the other groups the corresponding figures are :— Group C, 2·0 millions ; Group D, 1·6 millions ; and Group E, 3·3 millions. So far as the existing trade from India is concerned there is no doubt therefore as to the importance of Groups A and B considered as one.

If we examine the total trade in both directions between India and the various groups the values obtained are :—

Group (A+B)	8·5	million pounds sterling.	
Group C	2·3	„	„
Group D	2·9	„	„
Group E	13·5	„	„

Again Group (A+B) is by far the most important from the point of view of general trade because the figures for Group E contain over 6 million pounds sterling in gold.

The conclusion at which we arrive from an analysis of the figures in the table is that Group (A+B) is by far the most important field for India, with Group E second and Group D third.

SECTION II.

Cotton goods markets.

The table on page 228 has been constructed with the object in view of showing briefly and generally the position which each country occupies as a consumer of cotton goods of foreign manufactures and the annual *per capita* amount in sterling spent on such goods. The figures again have been taken from the latest local statistics which we could obtain while we were on tour and the various currencies have been reduced to sterling at the average rates of exchange for the periods to which the statistics refer.

The figures in column 6 represent the *per capita* consumption of all cotton goods, an allowance would have to be made for local production. Apart from India none of the countries in the table possesses any large scale of cotton textile manufacturing industries but in some of them the handloom production is not negligible. Too much reliance must not be placed therefore on the figures in column 6 as a measure of the amount of the money spent on cotton goods per head.

The figures of much more importance and interest to India are those in column 5 which give the values in sterling of the imported cotton goods consumed in the various countries. Turkey and Egypt are well ahead, followed by Persia and South Africa in a second group and the amounts taken by all the others are much smaller. Analysing into the same groups as we adopted in Section I we obtain these results :—

Group (A + B)	23·2	million pounds sterling.	
Group C	1·1	„	„
Group D	2·2	„	„
Group E	4·3	„	„

So far as the cotton textile trade is concerned therefore this analysis brings out the special importance of Group (A + B) and the considerable magnitude of Group E. The figures in column 3 lead to similar results and we can only conclude again that Groups (A + B) and E are the two most important from the point of view of total imports of cotton goods.

If we look at the corresponding figures for India we obtain an idea of the magnitude of her import market in cotton goods in addition to the large internal production in her cotton mills and handloom industry, and the comparison places these foreign markets for cotton goods in true perspective.

SECTION III.

COTTON GOODS MARKETS BY CLASSES.

The table on pages 229 and 230 has been compiled from the import and export statistics of the various countries visited by the Mission and shows the approximate total yardage of each of the main classes of cotton piecegoods imported into each country and the share of the trade at present held by India. It will be noted that there is a considerable variation in the classifications adopted by various countries, and in certain instances no quantitative statistics are available. In others, it has not been possible to ascertain the exact share of the trade at present held by India, but in these countries India's share of the trade is either negligible, or an approximate estimate has been made from the Indian export statistics for the most closely corresponding period, in most cases the year 1926-27.

The total market for cotton piecegoods.

The value of the importations of cotton piecegoods into Turkey corresponds closely to the value of the imports into Egypt, and, as the character of the goods consumed is similar, it may be assumed that the yardage also corresponds closely to that of Egypt, for the purpose of forming an estimate of the approximate yardage consumed. Turkey's annual consumption has been placed at 250,000,000 yards. An estimate of 150,000,000 yards has been made in the case of South Africa. Including these figures the annual consumption of imported cotton piecegoods in the countries visited by the Mission works out at about 1,110 million yards. India's share of the trade is just over 110 million yards or about 10 per cent, varying between 42 per cent in the case of Persia to less than 1 per cent in the cases of Turkey, Egypt and South Africa which, it may be noted, are the largest consumers of piecegoods amongst the countries included in the Mission's itinerary.

The figures of 1,110 million yards of piecegoods imported into all these countries make an interesting comparison with the figures for India and at once set off the great importance of the Indian home market in which the annual consumption of mill-manufactured piecegoods is at present 3,800 million yards, of which 1,800 million yards are imported from other countries.

Conclusions

Total importations of grey goods.

Leaving out Turkey, Portuguese East Africa and South Africa, for which the import figures are not available, the total quantity of grey goods imported into the countries under review is in the region of 225 million yards per year. India's share in this trade amounted to a little over 28 million yards, or 12 per cent.

Bleached goods.

In bleached goods the total annual quantity imported into the countries for which figures were available was 126 million yards of which India sent 1·2 million yards or about 1 per cent only.

Importations of bleached goods into India in 1926-27 were 566 million yards.

Woven coloured, printed and dyed goods.

Excluding South Africa, Portuguese East Africa and Turkey the total imports of coloured goods, *i.e.*, a combination of the three classes—printed, dyed in the piece and dyed in the yarn, in the countries under review amounted to approximately 357 million yards per annum of which India supplied 73 millon yards or just over 20 per cent. India's exports of prints are negligible. Had it been possible to separate the imports of coloured goods into the three above mentioned classes the result would have shown that India's share in both goods dyed in the yarn, and goods dyed in the piece is considerably over 20 per cent of the total importations from all countries.

It might be noted that India's share of the trade in grey, bleached and coloured goods is rather exaggerated by the absence of detailed figures for Turkey and South Africa, both of which are comparatively large markets and in both of which India's share of the import trade in cotton piecegoods is at present negligible.

Cotton blankets.

The only countries in the list in table on pages 229 and 230 which import cotton blankets to any considerable extent are Kenya and Uganda, Tanganyika and South Africa. Assuming the average price of the blankets imported into South Africa to be the same as in East Africa, *viz.*, 10 blankets per £1 sterling, then the total market for cotton blankets in the countries named is about 9 millions per annum of which India at present supplies 155,000 or 1·7 per cent only.

Markets for cotton piecegoods by territorial groups:

As already indicated above the countries visited can be conveniently divided into five territorial groups as under :—

(A) Persia and 'Iraq.

(B) The Levant, *i.e.*, Turkey, Syria and Egypt.

(C) Aden and the Sudan.

(D) East Africa, *i.e.*, Kenya and Uganda, Tanganyika and Zanzibar

(E) Portuguese East Africa and South Africa.

Markets for Particular Classes of Goods.

Persia and 'Iraq (Group A).

The total importations of cotton piecegoods into these two countries amount to between 180 and 190 million yards per annum. On account of their close proximity India holds a much larger share of this trade than she does in most other territorial groups. Her share of the total trade amounts to between 70 and 75 million yards per annum or over 40 per cent.

Persia and 'Iraq are predominantly markets for coloured goods, the combined total of imports in printed, dyed in the piece and woven coloured goods amounting to 132 million yards as against 30 million yards of bleached goods, and 22 million yards of greys. India's share of the trade in coloured goods amounts to 52 million yards or about 40 per cent of the total, made up chiefly of piece-dyed goods and piecegoods dyed in the yarn. In prints, as may be judged from the 'Iraq figures, India's share is at present practically *nil*. In bleached goods India's sendings are less than 1 million yards per annum or about 3 per cent, while in greys India's share according to the figures in the table amounts to 16 million yards or 73 per cent of the total. This figure is somewhat misleading as the share attributed to India contains the figures of Japanese grey re-exported from India and India's share of the grey trade cannot in reality be more than 50 per cent. From the figures it may be concluded that India's power to compete is greatest in the case of goods dyed in the yarn, and goods dyed in the piece. In grey, bleached and printed goods India's powers of competition are apparently limited.

The Levant (Group B).

The total market for piecegoods in Syria, Turkey and Egypt amounts to between 550 and 600 million yards per annum which makes it one of the largest markets in the world. India's share of the trade is practically negligible, being less than 1 per cent of the total. Detailed figures as to the relative importance of each class of goods imported into Turkey are not available but they may be assumed to be of the same character as in Syria and Egypt.

Considering the figures for these two countries the order of importance in the various classes are :—

(1) Greys 87 million yards.

(2) Bleached goods 76 million yards.

(3) Printed goods 59 million yards.

(4) Dyed in the yarn 55 million yards.

(5) Dyed in the piece 48 million yards.

India's share of (1) is 500,000 yards, (2) 100,000 yards, (3), (4) and (5) combined 3·5 million yards, chiefly goods dyed in the yarn.

Port Sudan and Aden (Group C).

The very great preponderance of grey goods in this market is the most outstanding feature. Out of a total of 117 million yards no less than 81 million yards are greys, 23 million yards are coloured, printed or dyed and 13 million yards are bleached goods.

Conclusions

India's share of the total imports is about 9 million yards or less than 8 per cent made up of 6 million yards of coloured goods. The market for coloured goods in the Sudan differs considerably from that of Aden. In the Sudan nearly all the coloured goods imported are dyed in the piece, whereas in Aden there is undoubtedly a considerable market for coloured woven goods and prints.

East Africa (Group D).

The total market for piecegoods in the countries of Group (D) amounts to 80 million yards per annum of which India sent between 16 and 17 million yards in 1927 or about 20 per cent.

The order of importance of the various classes of piecegoods imported were :—

(1) Grey 34 million yards or 42 per cent of the total.

(2) Woven or coloured goods 15 million yards or 19 per cent of the total.

(3) Piece-dyed goods 14 million yards, or 17 per cent of the total.

(4) Prints 10 million yards or 12 per cent of the total.

(5) Bleached goods 7 million yards or 10 per cent of the total.

India's share of the trade in—

(1) was 8 million yards or 23 per cent.

(2) was 4 million yards or 28 per cent.

(3) was 4 million yards or 30 per cent.

(4) was 200,000 yards or 2 per cent.

(5) was 500,000 yards or 7 per cent.

These figures show graphically the lines in which Indian competition has been most successful in East Africa, but unfortunately do not convey any idea of the ground lost during the last five or six years in greys.

In addition to piecegoods East Africa is also a very large importer of cotton blankets, the total imports in 1927 being 2,375,000 of which India's share was 155,000 or slightly less than 7 per cent.

South Africa (Group E).

The total market for piecegoods in this territory amounts to 164 million yards per annum. India's share of the total trade in these countries amounts to 11½ million yards per annum or 7per cent of the total. Most of this trade is, however, with Portuguese East Africa. To the Union of South Africa, which has an annual consumption of not less than 150,000,000 yards, India's sendings of piecegoods amount to barely 1 million yards per annum.

South Africa is also a very large consumer of cotton blankets and kaffir sheets, her imports being in the region of 7 millions per annum of which India supplies none at all. The potentialities of South Africa as a market for blankets are somewhat offset by the fact that she possesses a growing domestic cotton blanket industry which is protected by a heavy import duty.

Markets for Territorial Groups

SUMMARY OF CONCLUSIONS.

(1) *Extent of various group markets.*

The order of importance of the various group markets in the table on pages 229 and 230 as regards quantities is as under :—

(i) The Levant—approximate annual consumption 250 million yards piecegoods.

(ii) South Africa—approximate annual consumption 160 million yards piecegoods and 9 million blankets.

(iii) Persia and 'Iraq—approximate annual consumption 180-190 million yards piecegoods.

(iv) Aden and the Sudan—approximate annual consumption 117 million yards piecegoods.

(v) East Africa—approximate annual consumption 80 million yards piecegoods and 2·3 million blankets.

(2) *India's share of the total market.*

Out of a total market of 1,110 million yards India's share is 110 million yards or 10 per cent, varying between 42 per cent in the case of Persia to less than 1 per cent in the case of Turkey and Egypt.

(3) *Importance of various classes of piecegoods imports.*

Excluding the markets of Turkey, Portuguese East Africa and South Africa, for which detailed figures are not available, the total markets for grey, bleached and coloured printed or dyed goods and the relative order of importance are as follows :—

(i) Coloured, printed or dyed goods 357 million yards—India's share 20 per cent.

(ii) Grey goods 225 million yards—India's share 12½ per cent.

(iii) Bleached goods 126 million yards—India's share 1 per cent.

(4) *India's total market in each territorial group.*

The following is the order of importance as far as India's present trade in piecegoods is concerned :—

(i) Persia and 'Iraq 70-75 million yards per annum.

(ii) East Africa 16-17 million yards and 55,000 blankets.

(iii) South Africa and Portuguese East Africa 12 million yards.

(iv) Aden and the Sudan 9 million yards.

(v) The Levant 4 million yards.

(5) *Potential markets.*

The markets offering the greatest potentialities for development are the Levant and South Africa.

(6) *Lines of development.*

The classes of piecegoods in which India at present can compete most easily are :—

(i) Woven coloured goods.

(ii) Piece-dyed goods.

(iii) Cotton blankets.

GENERAL CONCLUSIONS.

As far as piecegoods are concerned the countries in which there are the greatest immediate possibilities of developing a larger trade are probably the Levant and South Africa. Attention should also be given to the retention and development of the existing piecegoods trade with Persia and 'Iraq, and East Africa, and the cotton blanket trade with East Africa. The table on pages 229 and 230 also indicates that in any efforts made to increase the export trade in piecegoods, the lines in which the greatest success may be expected are woven coloured goods and goods dyed in the piece.

SECTION IV.

COTTON YARN.

The table on page 231 which has been constructed from the import and export statistics of the countries visited by the Mission shows the total importations of yarn into Persia, 'Iraq, Syria, Turkey, Egypt, Port Sudan and Aden and the approximate value. In the other countries visited the imports of yarn are negligible. No attempt has been made to subdivide the yarn imports into various classes owing to the incompleteness in this respect of the statistics available, but from close observations made in these countries, it may be assumed that at least 80 per cent of the imports are under 24s counts. Unfortunately the only figures available for Turkey, the largest market in the list, are value figures.

TOTAL MARKET FOR YARN.

The total value of the yarns imported annually by the countries represented in the list amount to nearly £2,000,000. Excluding Turkey the weight of yarn imported by the countries visited by the Mission amount to about 22½ million lbs. of which India at present supplies about 60 per cent—a far more satisfactory position than in the case of piecegoods. In 'Iraq India already holds about 90 per cent of the trade and in Aden 90 per cent so that in these two places there is little scope for development. In Persia the position is not quite so satisfactory and greater attention might be devoted to that market, but the market offering the greatest potentialities for development is undoubtedly that of the Levant in which India has probably considerably less than 50 per cent of the total trade.

The import figures for the countries listed in the table make interesting comparison with the import figures for yarn into India which in 1927 amounted to nearly 57 million lbs. but nearly all of this yarn was of counts higher than 30s.

SECTION V.

RELATIVE PRICES.

Greys.

Generally our experience leads us to the conclusion that Indian prices for grey piecegoods prevent her from retaining her present market or expanding it in competition with Japan. In Persia and 'Iraq the demand in greys is for the lighter qualities, and so India has been able to retain a considerable portion of that trade. As far as Egypt and the Levant, Aden and the Sudan are concerned India's prices for the standardised lines now consumed are about 15 per cent higher than those of her competitors. Along the East Coast of Africa the demand for grey chadars from India continues in diminishing quantities, being affected by the competition from Japanese sheeting.

Although in East Africa the prices of Indian grey drills are apparently too high by from 5 per cent to 10 per cent, in South Africa, during our visit the prices quoted by Japan, which holds the market, are of the same order as Indian prices.

Bleached goods.

In narrow-width white shirtings, with the exception of a few low quality lines in which a special finish is not required, India, under present circumstances, cannot compete. In wider width goods the position is somewhat more favourable and in Egypt and South Africa, in particular, it should be possible for India to compete as regards price in heavy-weight white sheetings over 54″ in width.

Printed goods.

The general lines of printed goods cannot be manufactured by Indian mills but it is interesting to note that in East Africa the hand block printed chadars made in Ahmedabad find a fairly ready sale at ruling prices.

Piece-dyed goods.

Speaking generally where the texture and finish of the lines manufactured in India are suitable for the export market India's present quotations are fairly competitive with those of other countries. These remarks do not apply in the case of voiles in which line America's prices are considerably lower than those of all other competitors.

Dyed in the yarn.

The price position in this class of goods varies in respect of particular lines. Speaking generally, however, Indian prices are somewhat lower than those of her competitors in the lowest qualities of coloured woven goods, and somewhat higher in finer goods.

Striped shirtings and artificial silk shirting material.

In these two lines Indian prices are on the high side, particularly in the latter class, by about 10 per cent.

Conclusions

Striped drills.

The prices at which striped drills from Japan are being sold have ruled out any possibility of India sharing in this trade. The difference in prices is between 15 per cent and 20 per cent. South Africa is an exception to this general statement so far as low quality drills and shirtings are concerned.

Plain zephyrs.

In the medium qualities of plain zephyrs for which there is a large market in Egypt and Turkey present Indian prices compare favourably with those quoted by Italy.

Check zephyrs.

Similar remarks to those made in regard to the previous class apply here but the market is rather more extensive.

Cotton trouserings.

In practically all the countries visited there is a fair demand for cotton trouserings of qualities comparable with the better class of Thana cloths produced in India, and India's prices were decidedly attractive in comparison with those of Italy and Belgium in the Persian and Levant areas, and with those of America in the Union of South Africa.

Woven sarongs and similar goods.

The price relations existing between India's products and those of England and the Continent need more detailed investigation as the products sent by Holland, England and India are usually widely different in quality. In those markets to which other countries are sending goods similar to what could be manufactured in India (*e.g.*, Aden) foreign prices appeared to be such as to offer prospects of competition by India.

Woven handkerchiefs.

Portuguese East Africa is the largest market for this class of goods and qualities vary widely, but in the low and medium qualities the prices quoted by other countries indicate a possibility of Indian mills competing.

Towels.

In the very low lines Indian prices are higher than those of Japan, while in medium qualities Indian prices compare favourably with those quoted by her competitors.

Cotton blankets.

Indian prices for cotton blankets are competitive and the loss of India's blanket trade with East Africa is attributable to other causes.

Cotton yarn.

In counts up to 20s India's present prices are sufficiently low to enable her to withstand competition and even to extend her trade. This is the case particularly in the Levant.

SECTION VI.

INDIA'S CHIEF POTENTIAL MARKETS AT PRESENT PRICES.

Greys.

In grey chadars India already holds the complete market in Kenya, Uganda, Tanganyika, Zanzibar and Portuguese East Africa with the hinterland served by these coast areas, and these are the principal consuming centres for this class. In Aden, Kenya, Uganda, Tanganyika and Zanzibar there is a potential market for 8-10 million yards of light weight 36″ grey sheeting which is now being supplied by America at prices at which Indian mills can probably compete.

In South Africa there is a market for fully 5,000,000 yards of 13½ lbs. × 40 yards of grey drill which in May of this year was being supplied by Japan at a price which would, in our opinion, just enable India to compete. India is supplying light weight T. cloths to Red Sea ports and East Africa and Zanzibar, but there is a very much larger market in Egypt and the Levant where Indian quotations are only very slightly on the high side for light weights.

Bleached goods.

In light weight low quality shirtings there are general possibilities in all markets, but most of the goods in demand require to be highly glazed and back filled. In most markets the demand for this class is from 10 per cent to 15 per cent of the total bleached goods imported.

In Egypt and South Africa the prices of wide-width sheetings of over 54″ are such that India can compete and the textures are similar to those already being produced in India. We were unable to obtain definite figures as to the size of the market, but in South Africa, particularly, it is undoubtedly large. For bleached drills in which India can compete we would estimate the market capacity at 3 per cent to 5 per cent of the bleached goods imported into each country, the higher figure being applicable to countries with large European populations.

Bleached dhoties.

In the lower qualities of bleached dhoties and bordered twill chadars, which are often used for the same purpose, there is a market in Aden, Port Sudan, Kenya, Uganda, Tanganyika and Zanzibar at prices at which India can compete and the extent of these markets we estimate at something between 1½ and 2 million yards.

Piece-dyed goods.

In piece-dyed goods there is a very large demand for black shirtings, twills and drills in Persia, 'Iraq, Syria, Egypt, the Sudan and East Africa; for blue shirtings (kaniki) in East Africa; for blue zarags in the Sudan; for khaki drill in East and South Africa and Egypt so far as low qualities are concerned; for red-dyed shirtings in Aden and, to a less extent, in most other markets. These, however, are potential markets for India only so far as low to medium qualities are concerned. Grouping all the above classes together

the market is very large and, as a general estimate, we are of opinion that India might expect to be able to increase her exports of these lines by 50 per cent. For further details reference should be made to the chapters on individual countries.

Woven coloured goods.

India's competitive capabilities appear to be greater in this class than in any of the others.

Artificial silk trouserings.

In Persia and 'Iraq India holds the market, but there is a tendency to her being displaced by Italy with more attractive and varied designs. In Turkey and Syria there is apparently a similar market offering opportunities to India provided mercerised cotton is used in place of artificial silk. The extent of this market has been given to us as approximately 5 million yards per annum.

Self coloured and check zephyrs.

As far as prices go India's quotations are satisfactory, but modifications in weaving and finish are required together with a much larger range of designs. Provided India can meet the requirements under these heads there is a market in Egypt and the Levant for not less than 6 million yards per annum.

Cotton trouserings.

This, from our observations, is India's best line from the point of view of price in all the markets where this material is consumed. At the present time India is only exporting in large quantities to Persia and 'Iraq. In other markets, particularly Egypt, Turkey and South Africa, there are extensive possibilities provided India's production is modified to meet the local requirements as regards weight, finish, width, length and designs. Our estimate of the total market capacity, apart from India's present export trade, is 25 million yards for Egypt, the Levant and South Africa.

Striped drills.

India has a small market for grey ground striped drills in Persia, 'Iraq and South Africa, but in all other countries Japanese striped drills with bleached grounds are preferred, and against this India cannot at present compete.

Cotton blankets.

There is a market for cotton blankets totalling 3½ millions per year in Kenya, Uganda, Tanganyika and Portuguese East Africa and Rhodesia (served through the port of Beira) of which Indian mills ought to be able to obtain a considerably larger share than they hold at present. The South African market for blankets is nearly 7 millions per year, but is rapidly decreasing owing to the establishment of a domestic industry protected by a high import duty. India, however, ought to be able to obtain a share of the trade in light-weight blankets which the local industry is not equipped to manufacture. The imports of these light-weight Manchester blankets are about 2 millions per year.

Woven handkerchiefs and scarves.

In the lower qualities and simpler textures of woven scarves India should be able to compete against other countries, but the total market for woven handkerchiefs of all kinds is less than 1,000,000 per annum. It is chiefly centred in Portuguese East Africa.

Honeycomb and terry towels.

It is somewhat difficult to estimate, with any degree of accuracy, the extent of the market for the qualities of towels in which Indian prices are competitive, and all that can be said is that India may be able to extend her trade in Egypt, Turkey and South Africa.

SECTION VII.

Large lines held by other countries.

There are certain very large lines in which the complete trade is held by Japan, simply as a result of the prices at which she is able to offer them. There is no other obstacle preventing India obtaining a share in the market. The two most important of these lines are :—

(*a*) 36″ × 30 yds. × 10 lbs. grey sheeting.
(*b*) 27″ × 30 yds. × 7-7½ lbs. bleached ground striped drill.

For these two classes the total market in the area covered is certainly not less than 105 million yards for grey sheeting and 14 million yards for striped drills. The latter has only been on sale in these markets for a few years and consumption is increasing rapidly. The extreme importance of the trade in grey sheetings is obvious from the above figure which is practically the same as India's total exports of cotton piecegoods to all the countries under consideration and slightly less than the imports into India of similar fabrics from Japan.

SECTION VIII.

Special requirements for export markets.

The attention of the Mission was repeatedly drawn by merchants in other countries to the following points in which they stated that Indian exporters fall short of the standards set by their competitors—

(1) Finish.
(2) Folding and making-up.
(3) Stamping and ticketing.
(4) Packing.
(5) Deliveries.
(6) Sampling.
(7) Variety of designs.
(8) Uniformity.

Detailed references as to the requirements under each head will be found in the chapters dealing with individual countries.

Conclusions

In these competitive times all other producing countries are paying the very greatest attention to these points and from our experience we are convinced that they are matters which have played a very decided part in assisting India's competitors to obtain markets and that Indian exporters would find it to their great advantage to meet the requirements of the various markets in these respects.

SECTION IX.

Combined dyeing, bleaching and printing plant.

So far as the exports of most goods dyed in the yarn are concerned, India is at present in a competitive position as regards prices for low and medium qualities, and, as has been indicated elsewhere, an extension of her export market in this line rests chiefly on development in finish and design. Excluding Turkey and South Africa, for which detailed figures are not available, but which, however, are very large markets especially for prints, the total market for bleached goods, in the countries under consideration, is approximately 130 million yards, and for printed and dyed in the piece almost 260 million yards. Under existing conditions India's share of the market for bleached and printed is necessarily very small and even in dyed in the piece competition abroad is only possible in the lowest qualities which require no special finish. In 1926-27 India's imports of bleached piecegoods were 571 million yards, of printed piecegoods 177 million yards, and of piece-dyed goods 157 million yards giving a total of 905 million yards. Even allowing for the finer qualities which India does not manufacture, the field in the export and home market is still large. We have not been able to study the price position because India is not manufacturing printed goods while in piece-dyed and bleached goods differences in quality rule out the possibility of satisfactory comparison.

In paragraph 99 of the report of the Indian Tariff Board (Cotton Textile Industry Enquiry) it is recommended that "assistance from Government should be given if a satisfactory scheme for a combined bleaching, dyeing and printing plant can be put forward by the Bombay mill industry", and we strongly recommend that this subject should receive detailed and technical examination.

SECTION X.

Shipping Freights.

It has been represented to us by a number of merchants abroad that the shipping freights from India are higher than those on similar goods from certain other more distant countries. The figures which were shown to us would indicate that in some cases this is so. When, however, we examine the incidence of freight on the price of cotton piecegoods—and to make the calculations definite, take grey goods as a specific instance—we find that the total shipping freight on these goods from India to the countries in question is less than 2 per cent of the value of the goods. The Indian prices for such goods in those markets are from 10 per cent to 15 per cent higher than the market prices of

similar goods from Japan. While, in our opinion, the shipping freight cannot be considered as the most important factor preventing the sale of such Indian piecegoods in those markets, there are other classes of piecegoods in which some reduction on freight would be of definite assistance to Indian exporters.

SECTION XI.

Export marketing methods.

In the case of most of India's competitors in the cotton goods trade the export market has, for many years, been of equal importance to, or greater importance than, the domestic market, and as a result of this need of foreign markets, elaborate systems of marketing have been developed to deal with the overseas demand for cotton goods to the best advantage. The methods which have been evolved as a result of this naturally fall into the following classes :—

(*a*) British methods,

(*b*) Dutch methods,

(*c*) Italian methods,

(*d*) Japanese methods.

In various sections of this report details of these methods have been given, but for convenience they may be again described briefly at this point.

(*a*) British methods.—In an old established trade, such as that of England, naturally several methods have been developed.

(i) Business done through large shipping houses with the head office located in England and branch offices or selling agents working on a commission basis established in foreign countries ; or through commercial travellers making periodic visits. Probably the greater portion of the export business is carried on according to this system.

(ii) Business done by organised groups of manufacturers, *e.g.*, the Calico Printers' Association and sometimes by large individual manufacturers with branch offices or selling agents in foreign countries.

(iii) Business done by importing houses in foreign countries with branch offices or representatives in England.

(iv) Business done by foreign firms, purchasing direct or through merchants or shippers in England.

(*b*) Dutch methods.—Formerly Holland's export trade in cotton goods was not well organised, but recently the principal exporting manufacturers in that country have formed a subsidiary company to control the distribution and sale of the export portion of their output for certain markets. The head office of this subsidiary company is situated in Holland with branch offices abroad, and sub-branches, agents and travelling assistants attached to the

chief branch office in the territory. Fuller information regarding this system is given in the chapter dealing with cotton goods for East Africa at page 174.

(*c*) ITALIAN METHODS.—(i) For large markets some groups of Italian manufacturers follow a system, similar to that described above for Holland, except that the sub-branches are replaced by a net-work of travellers calling frequently on the trade. One of the features of the Italian system is that branch offices are given very wide discretion in the matter of selling and financing.

(ii) The other system is business through agents, representing individual shipping houses or manufacturers. Trade other than through the established organisations, in the case of both Holland and Italy, is discouraged.

(*d*) JAPANESE METHODS.—As is well known, Japan has organised along three lines with success :—

(1) the buying of cotton, (2) the standardisation of production and (3) the export marketing. The export trade is controlled in Japan through the activities of a few large shipping houses situated there with branch offices and, in a few instances, agents abroad.

INDIA :—In the past India's attention, on the other hand, has been chiefly centred on supplying the demand in the home market and no serious organised effort has been made so far to cater for the requirements of the export trade. Practically the only countries, in which Indian cotton goods have found an export market, have been those, in which there is a considerable Indian mercantile community or where, owing to proximity, the styles of piecegoods in demand are similar to those consumed in India. Now that the need for increased export markets for India has become keener, there is, in our opinion, a much greater necessity for the establishment of some well-controlled organisation for export marketing to replace the present uncoordinated methods. We would, therefore, strongly recommend the desirability of the millowners forming a powerful export selling organisation to deal with the export trade in cotton piecegoods and yarn. This organisation in our opinion might profitably take the following form :—

(1) The formation of a single export selling organisation with the millowners as members.

(2) All selling of cotton goods produced by members for the export market should be done through this one organisation.

(3) The head office of this organisation should be in Bombay.

(4) There should be branch offices in those overseas markets, in which the present trade or the potentialities are large, and agents in those places with smaller markets or where there are existing means of distribution which could be utilised.

(5) From our experience we suggest the need for such branch offices at (i) Baghdad, (ii) Alexandria, (iii) Mombasa and (iv) Durban, and for selling agents, appointed by the organisation, at (i) Port Sudan, (ii) Aden, (iii) Zanzibar, (iv) Dar-es-Salaam, (v) Mozambique, (vi) Beira, (vii) Lourenço Marques.

The branch offices would be responsible for the following territories :—

Baghdad.—Persia, the Persian Gulf and 'Iraq.

Alexandria.—Egypt and the Levant.

Mombasa.—Kenya, Uganda, Tanganyika and Zanzibar, the agents in Dar-es-Salaam and Zanzibar being responsible to the branch office in Mombasa.

Durban.—The Union of South Africa, the agents at Mozambique, Beira and Lourenço Marques being responsible to the branch office at Durban.

(6) The branch offices would each be responsible for considerable areas and travelling assistants should be attached to these branch offices to tour the territory periodically and call on merchants.

(7) We are of opinion that a complete system of sampling, etc., should be arranged and put into effect by the head office of this organisation.

(8) The necessity for close contact between the manufacturers and the merchants in foreign markets has been so thoroughly impressed upon us that we consider it most desirable that periodic visits should be paid by members of the organisation to branch offices, agents and customers overseas.

If a selling organisation, such as we have recommended, is established, we consider that the question of cotton purchase in 'Iraq, Egypt, Uganda and South Africa by this same organisation should receive careful study. Japan sells cotton piecegoods and purchases raw cotton in some countries, apparently with success, through one and the same overseas organisation.

Extent of market for such organisation.

India's export market in the area covered is at present about 110 million yards in cotton piecegoods, 12 million lbs. in yarn and 150,000 blankets. At present prices in lines in which India can compete there is a further market, held by other manufacturing countries, of 80 to 90 million yards in piecegoods, 3 to 4 million lbs. in yarn and 2½ million cotton blankets.

We have not been able to examine the financial aspect of the suggested Export Selling Organisation in detail, but it appears to us that the paid up capital from the millowners need not be more than Rs. 10 lakhs. The financing of the overseas sales which would fall on the organisation would necessitate large credits from banks. We are of opinion that the millowners, who are members of the organisation, should guarantee such credits to the extent of Rs. 50 lakhs. Further, provided the millowners organise themselves in the manner indicated above to control the complete export sales of their products and give the above guarantee to the extent of Rs. 50 lakhs, we consider that the position would then warrant the examination of the possibility of the provision of cheap export credit facilities, within the limit of the guarantee, by the Government of India.

SECTION XII.

Trade Commissioners.

As a result of our study of the trade and trade conditions in the countries surveyed, we recommend the appointment of three Trade Commissioners for India. They should be stationed at (1) Alexandria, (2) Mombasa and (3) Durban. The areas under investigation by these officers should be as follows :—

(1) The Trade Commissioner at Alexandria :—Egypt, the Levant, 'Iraq and Persia.

(2) The Trade Commissioner at Mombasa :—Kenya, Uganda, Tanganyika and Zanzibar.

(3) The Trade Commissioner at Durban :—The Union of South Africa, Portuguese East Africa and Rhodesia.

We have already indicated the value of the total trade in both directions between India and the territories, allotted to each of these Trade Commissioners and this amounted to £8·5 millions, £2·9 millions and £3·1 millions (excluding £6 million in gold and specie) per annum respectively. In the Levant there is an opportunity for expanding India's trade in cotton yarn and piecegoods ; in Persia activities to retain India's existing trade are essential ; in East Africa India is not progressing at the same rate as other countries in the import trade ; in the Union of South Africa there are considerable possibilities of development of general trade for India, while in Portuguese East Africa action to stimulate India's declining trade with that country is desirable. In Aden and the countries bordering on the Red Sea the trade in cotton goods is very largely confined to greys and, speaking generally, India's present prices afford her little opportunity of expansion ; and general trade with Aden and the countries around the Red Sea does not, in our opinion, justify the appointment of a Trade Commissioner for that area.

The following summary gives the directions, in which expansion of trade seems most probable :—

Country.	Principal lines for which a closer connection and more detailed and regular information would probably result in increased trade for India.
Persia	Imports from—dried fruits, raw cotton, raw wool and gums. Exports to—cotton piecegoods and yarn, tea, rice, wheat and wheat flour.
'Iraq	Imports from—dates, raw cotton and bitumen. Exports to—cotton piecegoods, coffee, tea, indigo, grain and flour, leather, woollen manufactures.
Syria . . .	Imports from—raw cotton. Exports to—cotton piecegoods and yarn, wheat and wheat flour, leather, natural dyes.

Country.	Principal lines for which a closer connection and more detailed and regular information would probably result in increased trade for India.
Egypt	Imports from—raw cotton. Exports to—cotton piecegoods and yarn, wheat and wheat flour.
Kenya and Uganda	Imports from—raw cotton, carbonate of soda, potatoes, wattle bark and extract. Exports to—cotton piecegoods, leather and leather goods, teak.
Tanganyika	Imports from—raw cotton. Exports to—cotton piecegoods and blankets, timber, umbrellas, leather.
Zanzibar	Imports from—spices. Exports to—cotton piecegoods.
Portuguese East Africa	Imports from—raw cotton, cashew nuts, oranges and grape fruits. Exports to—teakwood.
South Africa	Imports from—cotton, wattle bark, fresh and dried fruit, wool, wines, fruit syrups, jams, diamonds, cement, asbestos products, invalid foods. Exports to—cotton piecegoods, wearing apparel, woollen piecegoods, carpets, kapok, coir, rice, wheat and wheat flour, vegetable oils, spices (pepper and chutney), tea, teak.

The areas, which we have allotted to the various Trade Commissioners' may seem extensive, but they have been selected according to convenience for touring and we consider that it should be possible for each Trade Commissioner to cover the area allotted to him annually. In our opinion it is also of the greatest importance that the Bombay mill industry should have its own representatives in these foreign markets, and our view is that the Trade Commissioners would do extensive touring and work in close co-operation with the Branch offices of the Export Marketing Organisation, the establishment of which we have already recommended. As in most cases the Trade Commissioners' attention would be directed particularly to the expansion of India's export trade in cotton goods, we consider that some commercial and technical knowledge of this trade would be a useful qualification. In South Africa, however, the development of general trade offers equal, if not greater, opportunities and technical knowledge of the textile industry is not essential.

We recommend that the Trade Commissioners should be appointed for a period of three years only in the first instance.

Cost of Trade Commissioners to Government of India.

I. Alexandria—

(1) Recurring monthly expenditure—

Salaries—

	Rs.
(*a*) Salary Rs. 1,900-100-2,100	2,000
(*b*) Assistant Rs. 450-50-550	500
(*c*) Steno-typist Rs. 230-20-270	250
(*d*) General clerk Rs. 140-10-160	150
(*e*) Messengers (two) Rs. 30 each	60
	2,960

	Rs.
(2) Travelling expenses—	
(*a*) Motor car allowance	150
(*b*) Touring expenses for Trade Commissioner and clerk	500
(*c*) Halting allowance (Rs. 15 per diem) for Trade Commissioner and (Rs. 7-8 per diem) for clerk	225
	875
(3) Contingencies—	
(*a*) Rent (including lighting, etc.)	300
(*b*) Stationery, stamps, forms, etc.	200
(*c*) Reference books, commercial periodicals, etc.	100
	600
(4) Entertainment allowance	100
TOTAL PER MENSEM	4,535
Non-recurring—	
Initial office equipment	5,000
Recurring—	
Per annum	54,420
II. Mombasa—	
(1) Recurring monthly expenditure—	
(*a*) Salary Rs. 1,900-100-2,100	2,000
(*b*) Assistant Rs. 350-50-450	400
(*c*) Steno-typist Rs. 180-20-220	200
(*d*) General clerk Rs. 90-10-110	100
(*e*) Peons (two) Rs. 25 each	50
	2,750
(2) Travelling expenses—	
(*a*) Motor car allowance	150
(*b*) Touring expenses for Trade Commissioner and Clerk	350
(*c*) Halting allowance (Rs. 15 per diem) for Trade Commissioner and (Rs. 7-8 per diem) for clerk	225
	725
(3) Contingencies—	
(*a*) Rent (including lighting, etc.)	200
(*b*) Stationery, stamps, etc.	200
(*c*) Reference books, commercial periodicals, etc.	100
	500
(4) Entertainment allowance	50
TOTAL PER MENSEM	4,025
Non-recurring—	
Initial office equipment	5,000
Recurring—	
Per annum	48,300

III. Durban—	Rs.
(1) Recurring monthly expenditure—	
(*a*) Salary Rs. 1,900-100-2,100	2,000
(*b*) Assistant Rs. 450-50-550	500
(*c*) Steno-typist Rs. 230-20-270	270
(*d*) General clerk Rs. 140-10-160	150
(*e*) Messengers (two) Rs. 30 each	60
	2,960
(2) Travelling expenses—	
(*a*) Motor car allowance	150
(*b*) Touring expenses for Trade Commissioner and Clerk	350
(*c*) Halting allowance (Rs. 15 per diem) for Trade Commissioner and (Rs. 7-8 per diem) for clerk	225
	725
(3) Contingencies—	
(*a*) Rent (including lighting, etc.)	300
(*b*) Stationery, stamps, etc.	200
(*c*) Reference books and periodicals	100
	600
(4) Entertainment allowance	150
TOTAL PER MENSEM	4,435
Non-recurring—	
Initial office equipment	7,500
Recurring—	
Per annum	53,220
For all three Trade Commissioners—	
Recurring per annum—	
(1) Alexandria	54,420
(2) Mombasa	48,300
(3) Durban.	53,220
	1,55,940
Non-recurring—	
(1) Alexandria	5,000
(2) Mombasa	5,000
(3) Durban	7,500
	17,500

On the annual value of the existing exports from India to these territories this recurring expenditure works out at less than ·13 per cent.

Conclusions

We have recommended an average salary of Rs. 2,000 per mensem for each of the three proposed Trade Commissioners; as, in our opinion, it would be inadvisable to attach any salary lower than this to posts, for which special commercial and technical qualifications and experience are essential. In some countries the Trade Commissioner would be the only representative of the Government of India and it is desirable that he should be in a position to maintain the necessary status. We are of opinion that a salary lower than what we have recommended will not attract the type of man, which we consider necessary for the responsible work involved.

It will be necessary for the Trade Commissioners in these countries to keep in close contact with importers and exporters in India and it will be equally necessary to keep the Trade Commissioners informed regarding the commercial situation in India. We, therefore, recommend that the Trade Commissioners should be attached to the Department of Commercial Intelligence and Statistics and that all their correspondence and trade enquiries should be sent to, and dealt with, by that Department.

D. B. MEEK
T. MALONEY } *Members.*

JEEVANDAS P. DUTIA,
Commercial Adviser.

CALCUTTA,
16th July, 1928.

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